

## EXTENSIONS OF REMARKS

AN ADDRESS BY WALTER B. WRISTON

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

• Mr. WIRTH. Mr. Speaker, international communications are of enormous importance to all of us. As our economy grows more and more interdependent, and as the speed of telecommunications and information transfer continues to accelerate, access to reliable and affordable international telecommunications becomes more important.

The Subcommittee on Telecommunications, Consumer Protection, and Finance has held extensive hearings on the applications of telecommunications and information products and services, both domestically and internationally. Recently, Mr. Walter B. Wriston, the chairman of Citibank/Citicorp, addressed many of these same issues in a very cogent and well-reasoned address.

Restrictions on the flow of data across national boundaries can have enormous economic consequences, as Mr. Wriston points out in his speech. I hope my colleagues will take the time to read through his remarks, as they familiarize themselves with the changes that are taking place in our economy.

Mr. Speaker, I ask that Mr. Wriston's speech be printed at this point in the RECORD.

Text of speech attached:

AN ADDRESS BY WALTER B. WRISTON,  
CHAIRMAN, CITIBANK/CITICORP

Much has been written and said about the Information Society and its effect upon all of us. Like many catch phrases, the Information Society is both descriptive and deceptive. It is descriptive because it accurately captures the concept of the vast flow of data which now inundates us all. It is deceptive because to some extent all civilization has been built upon the foundation of information passed on from one person to another and from one generation to the next.

The technique employed in passing on information remained basically unchanged for more than a thousand years until Johann Gutenberg brought the marvel of movable type to the European scene in the 15th Century. The great innovation which changed the world was not at first a commercial success. The money Gutenberg borrowed was not repaid and he lost both his press and his type; doubtless the bankers of the time were castigated for making "risky" loans.

However the world's information is assembled and reproduced, the effort to transmit it on a timely basis from one place to another is older than history. And the technique

does not change in a predictable manner.

Technologies have ranged from the signal fires that carried the news of the fall of Troy, to the beat of African drums that carried the news to sub-Sahara Africa of the Battle of Tobruk in World War II. The halting efforts of mankind to design and maintain some standard way to communicate data has been far slower than the generation of the data itself. Probably one of the first breakthroughs was at sea where the fate of vessels and their passengers often depended upon swift, accurate signals. The international code of signals was compiled by the British government in 1857, and about half-a-century later in 1901 was amended to its present form by an international agreement. Even today, however, the dots and dashes of the morse code are not standard worldwide. The international morse code differs from the American on eleven letters and almost all numerals.

Against that background, our progress in S.W.I.F.T. does not seem too unsatisfactory. We might remind ourselves that in some parts of the world, the gauge of railway tracks still changes when one comes to a political border. Some say that this was a deliberate effort to halt invading armies, but perhaps in some cases the reason for a failure to agree to something so simple as the width of a railroad track came after the fact and should be called a rationalization. We have one gauge of track across the American continent today because the railway tycoons of the past felt the practical necessity to move goods across this nation. Today, no doubt, their acts of standardization would violate antitrust laws and we would have instead a government commission holding hearings to determine the "proper" gauge of railroad track.

S.W.I.F.T. was born of a similar practical necessity, but in an age of far more stringent regulations.

As the flow of information became more and more important to all of us in the financial business, it became clear we needed some kind of a standard format for financial transfers. While our progress has been slow, today S.W.I.F.T. has moved a long way toward its goals.

Today, as in the past, technology continues to move faster than the political processes. As small earth stations sprout from the roofs of suburban homes and fiber optics becomes a reality, it is easy to get lost in the scientific details and to lose sight of the fundamentals.

Sound banking business is and always has been based on good information received in a timely fashion. The explosion of technology which made the rubricated ledger go the way of the buggy whip did not change the need to record valid numbers in a clear, usable way—and the need for liberty to communicate those numbers to others. There has always been a balance, sometimes something which could be described as an uneasy truce, between the government censor and people who need information to run their own affairs.

Today, following an old tradition, the government censor is reaching for new tools to stop, slow down, or tax the flow of electrons which carries information across political

borders. But whether the method employed is burning books in the village square or stopping the flow of data across borders by taxes or other administrative procedures, the result is the same: The nervous system of civilization is slowed down and made more costly.

If we honestly assess the forces at work today, none of us can be sanguine that the future of the information revolution will automatically work toward efficiency and progress.

The impulse to regulate is as old as government itself, and in the area of communications it has usually succeeded. Nor has business always resisted.

Samuel Morse and his partners waged an intensive campaign to sell their telegraph patents to the U.S. government. They were encouraged by the American Postmaster General, who observed that "It becomes . . . a question of great importance, how far the government will allow individuals to divide with it the business of transmitting intelligence. . . . The use of an instrument so powerful for good or evil cannot with safety to the people be left in the hands of private individuals uncontrolled by law."

Fortunately, neither the patentees nor the postmaster general could arouse enough interest in Congress to obtain an appropriation for the purchase of telegraph rights—so Morse and his friends had to go the private enterprise route.

The initial British telegraph industry was also based on private initiative. In fact, the Cooke-Wheatstone telegraph patent application was filed in December 1837, four months before the Morse application was filed in the U.S. But in 1868 a bill was passed in England authorizing the government to take over the telegraphs and make them part of the Post Office. Similar stories could be told for most other countries.

The quantum leap in technology which has brought about our present information revolution did not happen by accident. The increasing integration of the world's financial system demanded more accurate information at a faster pace than ever before, and thus members of the financial community became the best customers of the communications engineers.

This process has fed upon itself. Satellites gave us the ability to communicate information around the world at the speed of light by bouncing data off transponders miles in space even as the events are taking place. But the rapid transmission of masses of data has attracted increasing government attention, just as the telegraph did 150 years ago. The rights of individuals to privacy, the rights of the sovereign to protect national security, the rights of the people to know, and the ability of markets to function are but a few of the issues which present themselves. None of these issues is either trivial or new, but all of them are attaining higher visibility as technology advances with unprecedented velocity.

There are a few things that we do know based upon past experience. One of these certainties was described more than 40 years ago by Jacob Viner, in his classic work on the gold exchange standard. He wrote that state intervention in private international

markets leads "with a certain degree of inevitability to the injection of a political element into all international transactions." The presence of this political element necessarily implies a "marked increase in the potentiality of economic disputes to generate international frictions." This principle is as old as time and as new as the Soviet pipeline controversy. History is replete with evidence to prove his point again and again. Indeed it was not until the world moved away from mercantilism and toward a freer market system that the developing countries had any hope of bettering the lot of their people. It was, in fact, the Euromarket that arose, unbidden by government and untouched by regulation, knowing neither color nor country, that gave access to the credits which permitted some poor countries to double their standard of living in a decade. This was a feat without parallel in history but somehow it never gets favorable mention. It was this market which took the initial financial impact of the oil shock and transferred, with only minor casualties and in a short time frame, the most massive amounts of financial assets in history. It turned a crisis which could not be managed by anybody into a market adjustment process that let the world survive, albeit with scars.

Markets function only through the transmission of information—both good and bad. It used to be that the fast horse, the clipper ship, or Mister Reuter's land telegraph brought the news by which fortunes were made and lost. Today it is the electron. The speed with which the data travels is in order of magnitude different from any time in history, but the information is unchanged and two and two still make four at any speed.

The principles of sound banking are unchanged. If the world is to advance, the flow of data must move across borders unimpeded. This conclusion about the freedom of transborder data flow is merely an extension of what we have learned as a world society about trade in goods.

The postwar boom that rebuilt all our economies was based on the enlightened proposition that goods should be permitted to cross national boundaries with as few restrictions as possible. This concept was institutionalized in such international bodies as the General Agreement on Tariffs and Trade, as well as in many national groupings.

Free trade, while regularly sabotaged and seldom fully realized, is usually given lip service as A Good Thing because it's based on the generally acceptable economic theory of comparative advantage. But when world economic conditions begin to deteriorate, protectionism rears its familiar head and nation after nation begins to raise tariff and nontariff barriers to international trade.

This is an old and recurring phenomenon. Today I would suggest we are seeing an equally dangerous trend that could destroy the premise upon which S.W.I.F.T. is based. I refer to the growing efforts to control the flow of data across national borders.

To us, the idea of setting up a toll-gate or customs post to restrict the entry of a stream of electrons may seem ludicrous. There are others who see it differently.

The beneficent results of low-cost, instantaneous international financial transactions, which we regard as a free market in ideas and information, are by no means appreciated in every quarter. We have seen laws passed to control transborder data flows, and more are over the horizon. Some have

laudible purposes—such as protecting the privacy of individuals and businesses. Some have internal political motives, such as job protection or the desire to make full use of, and derive revenues from, the publicly owned postal-telegraph services. Some are viewed as preservation of national self-sufficiency, designed to avoid economic dependence on entities based in other countries. And some, whatever the stated motive, are based on free-floating anxiety about what information carried on the international electron stream might produce.

As governments intervene more actively to control the international flow of data and capital, we may be sure that another fruitful source of political conflict among governments will be opened up.

Government—and all of us—must live with the fact that modern technology has welded us into an integrated economic and financial marketplace. The clock cannot be turned back. Perhaps we in the financial community have been remiss in not making this clearer to the world's opinionmakers.

The immense Euro-market would never have gotten off the ground if it hadn't been born free—and stayed free. The electronic information revolution which helped make it possible has now soared far beyond that market. But it will surely falter if it becomes subjected to ever-increasing national regulatory wing-clipping. And the market will suffer along with it.

If it is true, as some schools of economics teach, that people act efficiently in their own interests, a good case can be made for the increase in the general welfare that results from the free flow of data. The case has three elements: price, security, and liability.

The chief attraction of the new technology beyond its speed, is its low cost to customers. But when a government insists that we use its publicly owned network, we may be forced into an uncompetitive situation subject to arbitrary pricing policies not based on cost. The fundamental building block of the commercial international network is the private line. Only through the private leased line can we get a handle on our costs and plan for the expansion of future services.

Again, history offers instructive lessons. In England, the telephone like the telegraph was also developed privately. But only under restrictive licenses from the post office, which already owned the telegraph system. Rates were set very high, no long distance lines were built, and other restrictions were imposed to keep the telephone from becoming competitive with the Post Office's telegraph system.

The Post Office won in its efforts to slow down the new competitor. The number of telegraph messages almost tripled in Great Britain between 1885 and 1900, while the number in the U.S. increased only 50% during the same period, because Americans were using their new telephones.

The telephone should have replaced the telegraph earlier in Britain than the U.S. because Britain's compact size made it technologically feasible to communicate anywhere in the country by telephone much earlier than in the United States. But at the critical moment, the British postmaster succeeded where the American postmaster failed.

The French did even better: in 1889 the government took possession of the telephone company by force, and in its early years gave the world a telephone system which became the astonishment of anyone who every tried to use it.

The topology of networks in Europe today is dictated not by such issues as distance and volume of traffic, but by international Telex rates, national prohibition of private lines, and restrictions on the ability to access foreign data bases in real time from remote locations. The problems are not limited to financial transactions, but more and more to other sectors of society. The London Financial Times, for example, is printed in Germany and then flown to London by air freight because of restrictions on the transmission of foreign data bases and typesetting files. Nor can the Financial Times use the quiet hours on other people's leased lines because of the British Post Office's restrictions on sharing private leased lines. There are, unfortunately, many other examples to suggest that in communications we may be traveling in a political direction that is the fundamental equivalent of high tariffs on merchandise.

The second element, that of security, is fundamental to any international financial network but that, too, deteriorates when we are forced to use PTT or common carrier services. The cost of making security double-checks becomes prohibitive especially when charged on a per-message basis rather than on a flat-rate lease. There are also government efforts to forbid private operators to use encryption techniques superior to those used by the government regulators. Sovereigns have a legitimate worry about encrypted traffic moving across their borders although this has been done by foreign embassies since codes were invented. The end result is a system that costs more, loses value and timeliness—and customers.

Such a system can also increase a corporation's liability for any error in a transmission of data or a transfer of payments, and this also can needlessly complicate legal contracts for certain types of automated services.

Since we have a common stake in the free flow of information, our common strategy should be to seek some reasonable limitations on the scope of PTT monopolies. And we can do this very effectively by stressing the security of private-leased networks and their flexibility of pricing—areas in which the PTTs in the past have demonstrated little inclination to compete. Our task is to make the public—and our customers—understand what is at stake.

There is reason for hope in some recent events. The agreement between Canada and the United States a month or so ago to permit the use of domestic satellites for transborder data services is a step in the right direction. Another encouraging sign is the increasing competition taking place in Britain between its own PTT and private domestic services. Moreover, as the number of regional satellites—like the one linking the Arab world—increases, the opportunities multiply for the expansion of competing services.

As the air becomes more and more crowded with electronic transmissions, governmental agreements are essential in allocating frequencies and setting public policy. We are never going to be able to roar down an open highway as the only car on the road. But as part of a huge user population, we have a duty and a vital interest to see that the global electronic highway we have already built, and which makes possible the functioning of the global marketplace, remains as efficient, as cost effective, and as free as possible.

The legitimate competing concerns of society make this no easy task, but it is one



that is worthy of our best efforts because the global marketplace has become such an essential part of the future of the world. The ability to move capital to where it is needed and wanted is fundamental to the continual effort of mankind to live a better life. In today's world, information about this market and the transfers themselves travel on our networks at the speed of light—which Einstein tells us is as fast as it is possible to go. Keeping that data moving with speed and efficiency, while balancing competing interests, is our particular challenge—and the greatest contribution we can make to the world that emerges from the information explosion.

Thank you.●

#### THE GIFT OF LIFE

### HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. YOUNG of Florida. Mr. Speaker, Christmas is the season of giving, and in the spirit of the season I would like to pay tribute to an organization in Pinellas County, Fla., that gives to the community year round.

The Community Blood Bank of St. Petersburg, Fla., is celebrating this year its 30th anniversary of supplying blood to 12 county medical facilities. The blood bank relies on voluntary donors to supply all of its blood. To commemorate the anniversary, St. Petersburg Mayor Corinne Freeman has initiated a special campaign within the community to call attention to the outstanding service the blood bank provides and the ever-increasing need for more blood donors.

As we exchange gifts of all shapes and sizes during the next few days, I hope my colleagues will find time to follow the lead of my friends and neighbors in Florida by giving blood—which provides the most precious gift of all, the gift of life.●

#### LEGISLATION TO REPEAL PREFERENTIAL TAX TREATMENT FOR NATURAL GAS PIPELINES

### HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. EVANS of Iowa. Mr. Speaker, today I am introducing legislation which would repeal a provision in the Revenue Act of 1971 which contributes to higher natural gas prices for the American consumer. The provision I am referring to allowed the old Federal Power Commission (FPC), now the Federal Energy Regulatory Commission (FERC), to provide preferential ratemaking treatment of the investment tax credit to natural gas pipelines. Congress allowed the FPC to provide such a preference if the FPC "determines that the natural domestic

supply of the product furnished by the taxpayer in the course of such trade or business is insufficient to meet the present and future requirements of the domestic economy." In January of 1972, the FPC issued an order granting gas pipelines this treatment. This order is still in effect today, despite the fact that there currently exists no shortage in the domestic supply of natural gas.

This matter could be handled internally by FERC, through a rescission of its 1972 ruling. The Iowa State Commerce Commission has petitioned FERC to make this change. FERC has not as yet responded and now Iowa has been joined in this effort by the National Association of Regulatory Utility Commissioners (NARUC) and several other State regulatory agencies.

NARUC, in a statement in support of the Iowa Commerce Commission's petition, explains the significance of this preferential treatment:

Current FERC policy requires that natural gas pipeline rates be set without regard to the tax forgiveness. In other words, the Federal income tax component of the firm's cost of service is not adjusted to reflect the credit thus creating a permanent rate overcharge. The firm is also permitted to collect from ratepayers, as an element of its cost of service, depreciation charges based upon the original cost of the asset without regard to the zero cost capital subsidy created by the investment tax credit. Similarly, consumers must pay a rate of return on an inflated rate base which has not been adjusted to reflect the capital subsidy.

This clearly results in a substantial direct subsidy from ratepayers to stockholders which in turn causes natural gas rates to exceed those which would be in effect if conventional normalization ratemaking treatment were employed or if the natural gas pipeline industry simply did not qualify for the investment tax credit. Thus current FERC policy regarding the ITC has appropriately been termed "reverse flow through."

At a time when natural gas rates and gas pipeline profits are increasing substantially, the industry is generating record investment tax credits which result in considerable rate overcharges due to current FERC ratemaking policies. The magnitude and direction of this inequity begs for prompt resolution.

Mr. Speaker, at a time when many Americans are having trouble paying their heating bills and when surpluses of natural gas exist, it makes no sense at all to allow any preferential tax treatment to be given to gas pipelines, especially when it means higher consumer prices. My legislation would correct this situation and I intend to reintroduce it in the 98th Congress and push for prompt consideration.●

#### EASTERN KENTUCKY UNIVERSITY WINS NATIONAL CHAMPIONSHIP DECEMBER 18

### HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. HOPKINS. Mr. Speaker, I am pleased to bring to the attention of my colleagues the outstanding achievement of the Eastern Kentucky University football team and its coach, Roy Kidd.

Working with a team some people said was short on experience but long on heart and enthusiasm, Mr. Kidd led the Eastern Kentucky Colonels to an undefeated 13-to-0 season, setting the stage for the NCAA division 1-AA football championship. In the finals of the national championship game, Eastern was victorious with a 17-to-14 victory over the University of Delaware.

The Eastern Kentucky University football team and its coaches deserve our special attention and congratulations. Each athlete performed magnificently and each made that all-important extra effort to insure victory.

In his first season as starting quarterback, senior Tuck Woolum was the field general marching his team to victory after victory until achieving the ultimate—a national championship.

The most valuable player on the Eastern team was Terence Thompson. Another player deserving special recognition is Ed Hairston who was unfortunately injured in Saturday's game. These three men deserve our special recognition and congratulations for their unselfish efforts and outstanding performance.

Mr. Speaker, I know that the Members of the House of Representatives join me in saluting the championship athletes of Eastern Kentucky University and its outstanding coach, Roy Kidd on a well-deserved accomplishment.●

#### THE NO-COST, NO-SUBSIDY HOUSING BILL

### HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. WYDEN. Mr. Speaker, in July of this year, Congressmen DICK GEPHARDT, BARBER CONABLE, and I introduced H.R. 6781, the Residential Mortgage Investment Act.

Since its introduction, H.R. 6781—which we are calling the no-cost, no-subsidy housing bill—has been cosponsored on a bipartisan basis by 265 of our colleagues in the House. A similar

bill was introduced with bipartisan support in the Senate in September.

This legislation would remove some of the arbitrary and unnecessary regulations that have been developed, in interpreting the ERISA statute, that discourage private pension funds from investing in mortgages and mortgage-backed securities. It would not, however, eliminate a single essential safeguard now in the law that protects the assets of pension plan recipients.

The sponsors of this legislation have spent a considerable amount of time over the past 6 months working for its enactment. And for good reason.

Mr. Speaker, millions of young people have been denied the American dream of homeownership because of a severe shortage of affordable mortgage capital.

The cure is clear: Find new sources of mortgage capital. And pension funds, both public and private, represent the largest potential new source of mortgage capital—more than \$600 billion.

At the present time, only about 3 percent of this vast pool of funds is invested in housing and real estate. There is no reason why that percentage should not and cannot be higher—without endangering the prudent investment of pension funds.

What is needed is legislation that prevents Government agencies from dictating to pension fund trustees how to choose from among sound investments. It is wrong to classify mortgages as second-class investments. Mortgages are not second-class investments and Congress did not intend for agencies to make that kind of judgment.

Mortgages and mortgage-backed securities are sound, safe, and profitable investments. A recent Salomon Brothers survey showed that, over a 10-year period, mortgage securities outperformed investments such as corporate bonds and long-term U.S. Treasury notes.

The Gephardt-Conable-Wyden bill involves no subsidies and no cost to the taxpayers. It would not require pension funds to invest in mortgages. It would merely encourage them to do so by allowing mortgages to compete for the attention of fund managers on an equal footing with other types of investment.

I would like to take this opportunity to thank the 265 Members who have become cosponsors of H.R. 6781 over the past 5 months. I would especially like to thank several Members who have worked very hard for this legislation—including DICK GEPHARDT, TOM FOLEY, GILLIS LONG, JIM WRIGHT, and BARBER CONABLE.

It is now clear that there will not be enough time to enact H.R. 6781 before the 97th Congress adjourns. The severe shortage of mortgage capital and sky-high mortgage interest rates

will not expire with the 97th Congress, however, and I would like my colleagues to know that this important legislation will be reintroduced in the next Congress.●

#### HOMER FERGUSON

#### HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. BROOMFIELD. Mr. Speaker, last Friday our Nation lost a great American with the death of the former Senator from Michigan, the Honorable Homer Ferguson.

Senator Ferguson's life epitomizes the best in public service. Besides the 12 years from 1942 to 1954 that he served as a U.S. Senator, Homer Ferguson also served as Ambassador to the Philippines, and as a judge on the court of Military Appeals. In 1976, he retired from the court to his home in Grosse Pointe, Mich.

Mr. Speaker, I did not have the privilege of serving in Washington with Senator Ferguson. However, I was in the Michigan State Legislature for part of those years, and I was impressed with his great skill and dedication.

As a Senator, he sponsored the legislation which added the words "under God" to the "Pledge of Allegiance," and he was an ardent supporter of a strong America.

Mr. Speaker, I wish to express my deepest sympathies to Senator Ferguson's family, and our profound appreciation for his lifetime of service to our country.●

#### BE GENEROUS, BUT WITH YOUR OWN MONEY

#### HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. McDONALD. Mr. Speaker, on numerous occasions I have spoken on the House floor and I have voted against the ever-increasing size and expenditures of the Federal Government. This has included many votes against various social and welfare programs. When these programs are enacted and later allowed to geometrically increase, Members of Congress who oppose such programs are generally labeled as "cold hearted" or "insensitive to the needy."

However, nothing could be further from the truth. The most feared enemy of our Nation's elderly, impoverished, and those living on fixed incomes is skyrocketing inflation and the economic havoc that inflation wreaks on those who are least able to cope with it. If we are truly compas-

sionate toward those in need, we should redouble our efforts to work and vote for a balanced Federal budget and to end the massive Federal deficits which have fueled inflation and have left us with a national debt in excess of \$1 trillion. It is a sad paradox that many of the programs and expenditures that are proposed and passed only serve to exacerbate the difficulties of those whom the program is designed to help.

Likewise, a vote in favor of social and welfare programs should not be regarded as evidence of compassion and charity. Simply stated, there is nothing compassionate or charitable about voting to spend someone else's money.

In that vein, what follows is an excellent column written by syndicated business columnist Louis Rukeyser as it appeared in the Atlanta Constitution on December 20, 1982:

#### BE GENEROUS, BUT WITH YOUR OWN MONEY

'Tis the season to be giving, and as anyone lucky enough to be a human being should know, that's not all bad.

But it might also be appropriate, in this holiday season, to think for a moment about the rightful place of such seasonally heralded virtues as compassion and generosity in our year-round pursuit of a happier U.S. economy.

Much of the arguing now going on concerning economic policy for 1983 tends toward easy oversimplifications of these issues. That deep thinker Tip O'Neill, for example, recently accused President Reagan of having "a stone heart," and the question of sensitivity toward the needs of others dominates much of the current Washington rhetoric.

It would be nice if it were all that simple: If the argument were truly between kindness and cruelty, we would not need to read the papers to decide where we stood. Which of us, indeed, would choose consciously to stand with Ebenezer Scrooge?

But life is not so neat. In the real world, the heroes and villains are blurred and ambiguous, and practically every man thinks he is one of the good guys. None of our recent presidents failed intentionally, and no current politician goes to bed at night gleefully contemplating the foreclosing of the nation's mortgages.

#### LOOK AT RESULTS

So we must look beyond the professions of compassion and generosity to the actual results achieved in their noble names. Take that question of who does, or does not, have "a stone heart." Politicians who talk that way might well be referred to the "Eleventh Commandment" once promulgated by Noble laureate Milton Friedman: everyone should be free to do as much good as he wants to—with his own money.

And, indeed, since when is it the sign of a kind and generous heart to perform great benefactions with other people's cash? A predilection for raising taxes on somebody else is scarcely acknowledged route to personal beatification. Self-righteousness it may well fortify, but that is a different (and less lovely) quality entirely.

The notion that any program that increases government social spending is compassionate and generous, and anything that resists such expansion is Scroogelike, falls



down twice: once for the giver and once for the recipient. It is unmistakably clear that many once-generous folks now tend to figure that they already gave, involuntarily, to the Internal Revenue Service; it is hardly surprising that the great flowering of American private charities came in the Nineteenth Century, when taxes were negligible.

#### THE EASY ASSUMPTION

The easy assumption in Washington is that coercive politicians can decide better than you and me to which causes our dollars should be directed. But when government squeezes the productive turnip so tightly, there is inevitably less left for individual generosity—toward possibly more meritorious recipients.

The link between geometrically increasing social spending and any authentic concept of compassion is weakened further by results suggesting that such programs tend overwhelmingly not to work. All around us is evidence that, far from helping the helpless onto the ladder of success, we are enticing successive generations onto a treadmill of dependence.

So my guess, at this holiday season, is that we ought not to confuse our private generosity with any public notion of programmatic largesse. Of course, we must adequately succor the economically wounded of this recession, but our greatest long-term gift will be not endless government aid but a new birth of noninflationary growth—and jobs. Being generous with other people's money is the route not to heaven but to hypocrisy. ●

#### AMERICAN TECHNOLOGICAL DEVELOPMENT AND ECONOMIC POSITION

##### HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. HUNTER. Mr. Speaker, as you know, America's international economic position is in large part determined by the level of technological development in our Nation. Small business has always been a prime source of major new ideas in industrial research. I am pleased to have in the 45th Congressional District an enterprise which has recently been recognized for its outstanding contributions to civil engineering research.

The Hess Geotechnical Corp. & Structural Behavior Engineering Laboratories, Inc., of El Centro, Calif., John D. Hess, president, and the civil engineering facility of the Technological Institute of Northwestern University have been awarded the coveted IR-100 award. This award is given by Industrial Research Magazine for the 100 most significant technical products produced anywhere in the world during the past year.

The award to the Hess Corp. was for the design and development of a high-temperature triaxial torsional testing machine for concrete and rock. This chamber allows for the testing of concrete properties during nuclear meltdown. In addition, the chamber can be

used to study fluid transfer in sediments in connection with geothermal research.

The achievement of Mr. Hess' Corp. in receiving the IR-100 award is testimony to the vitality of small business in our country. With a dedication to quality and innovation that is exemplified by the Hess Corp., American business will remain on the leading edge of technological advancement. ●

#### ONLY CONGRESS CAN REDUCE THE DEFICIT

##### HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. REGULA. Mr. Speaker, in an otherwise accurate and sensible editorial today, the Washington Post stated that "the Reagan administration has to start bringing down, forcefully, the budget deficits of 1984 and beyond."

The implication here is that control of the deficit is the sole responsibility of this administration, or any administration for that matter. This is simply untrue. Only Congress can—and should—make fiscal policy.

It is the constitutional prerogative of the legislative branch, not the executive branch, to do so.

This is not to say that the President has no role in fiscal policy. However, the budget—and, hence, the deficit—is solely the result of the fiscal policy which emerges from laws passed by Congress and signed by the President.

The adage "the President proposes and the Congress disposes" is how the system ought to work.

Scapegoats are nice to have, but it is time for Congress to recognize its responsibilities in this regard. It should do what is necessary to reduce the deficits, which threaten to stifle economic recovery. ●

#### SOCIAL SECURITY: AN END TO FANTASY

##### HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. CONABLE. Mr. Speaker, we must not forget that the issue of social security financing is still before us. An excellent commentary by George Will on this subject appeared in the December 19 edition of the Washington Post. I hope that all my colleagues will take the time to read it.

SOCIAL SECURITY: AN END TO FANTASY

(By George F. Will)

At last, Democrats are allowing their sense of probability to inhibit their enjoyment of fantasy. Hitherto, many Democrats have said that Social Security has just two negligible difficulties: an immediate "cash-

flow" problem solvable with judicious borrowing, and another difficulty due to arrive around the year 2010 but which may not arrive—at least, assuming fortuitous mortality, fertility and productivity developments.

A fable: a politician and an economist fall into a deep pit with steep sides. The politician exclaims: "How will we escape?" The economist replies: "Easily. First, we'll assume a ladder." For frightened legislators, politics is the art of imaginative assuming.

But the balloon of fantasy has been punctured by two needle-sharp articles—the most important journalism of 1982—written for the New York Review of Books by Peter G. Peterson. In the 1960s, the Review tried to shock the bourgeoisie by printing on its cover a diagram for making Molotov cocktails. Now it has managed to publish something really hair-curling and—such is the irrelevance of the political left—the author is a Republican, the board chairman of the Wall Street investment firm of Lehman Brothers, and a former secretary of commerce.

Peterson refutes the hypothesis that demographics—the coming-of-age as wage earners of the postwar "baby boom"; the retirement of the relatively few Depression babies—will soon make the system solvent. That projection depends on assuming, among other things, "an unbelievable rate of sustained growth in productivity—about 3.1 to 3.3 percent per year from 1985 to 2005. That would far surpass any comparable period in U.S. history, even the boom years of the 1960s." Here are some productivity growth rates: 1948-67: 2.5 percent; 1967-73: 1.6 percent; 1973-81: 0.1 percent.

Assuming productivity grows at even a rate of 1.9 percent—higher than in the 1970s (1.2 percent)—the annual deficit in the retirement and disability trust funds would exceed \$100 billion by 2005, after which it would "explode," detonated by the retirement of the "baby boom." Add the hospital insurance trust fund, and the 2005 deficit exceeds \$700 billion.

A 65-year-old retiring in 1982 who paid Social Security taxes throughout his career and was an average wage earner with a non-working spouse contributed a total of just \$7,209 in payroll taxes during his working life. Given conservative assumptions about longevity and moderate assumptions about inflation, this retiree and/or his spouse will live to receive \$520,000—75 times the dollar amount he contributed. If he began receiving benefits in January 1982, he received \$803 a month, and got back the dollar amount of his lifetime contributions by September. Even adding interest (say, the Treasury rate, compounded) to the worker's payments, it would take him just three years and seven months to get back the amount he contributed.

Peterson notes that were it not for the growth of Social Security, federal revenues as a percent of Gross National Product would actually have declined between 1955 and 1980. Social Security spends more annually than all corporations invest in plant, equipment and research and development. Since 1949, average wages have increased 470 percent, average income taxes have increased 570 percent, average Social Security taxes have increased 6,480 percent. The maximum annual contribution made in the years 1937-49 was just \$30.

This year, employers' share of payroll taxes will amount to a sum equal to about 50 percent of corporate profits. As a result, there is less investment, slower productivity growth and job creation—and an accelerat-

ing Social Security crisis generating pressure for accelerated Social Security tax increases that are part of the problem. Already, 25 percent of American workers pay more in Social Security taxes than in income taxes. Fifty-eight percent of the electorate is under age 45, and those voters are in the expensive family-forming, house-buying years. Sharply increased payroll taxes could depress the economy, deepen despair and ignite generational conflict.

Social Security's unfunded liability—the gap between the actuarially predicted costs of benefits and the taxes the beneficiaries are scheduled to pay—is \$6 trillion. By the year 2030, America will be Florida writ large: the percentage of elderly in the population will be that in today's foremost retirement state. Of course, if Americans suddenly return to having five children, and life expectancy stops increasing, Social Security's crisis will moderate. But must biomedical advances against degenerative diseases be considered bad news because they undermine "optimistic" Social Security assumptions?

The Social Security crisis is evidence that the American government's heart is generally in the right place and that its head is frequently in the sand. But the sheer scale of the crisis should end, at least for now, the politics of imaginative assuming. ●

## REBUILDING OUR ROADS: A MOST INNOVATIVE PROPOSAL

**HON. SAM GEJDENSON**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. GEJDENSON. Mr. Speaker, I would like to bring to my colleagues' attention a most innovative and cost-effective amendment that my friend RON WYDEN successfully offered as an amendment to the gasoline tax bill.

The amendment earmarks \$55 million over the next 3 fiscal years from the portion of the trust fund derived from the tax imposed on tires for States that undertake road rebuilding projects using asphalt mixed with rubber recovered from old, discarded tires.

Experience suggests that rubber/asphalt mixtures are more durable and longer lived than conventional asphalt alone. At the same time, this amendment makes a bold attempt at ridding our Nation of the most pressing solid waste disposal problem facing our cities and counties, namely, the disposal of the some 240 million tires this Nation must dispose of each year. Finally, the amendment furthers our Nation along its road to energy independence. By mixing in rubber with asphalt we save crude oil, the principal ingredient of asphalt.

For the benefit of those who might have missed the amendment in the hectic activities of the last few weeks, I am including an article from the New York Times describing the amendment offered by Congressman WYDEN.

## EXTENSIONS OF REMARKS

[From the New York Times, Dec. 13, 1982]

### STATES COULD GET U.S. FUNDS BY USING NEW ROAD MIXTURE

WASHINGTON, December 12.—The House has voted to alleviate the national solid waste problem, reduce foreign dependence on oil and increase the life expectancy of the nation's roads, all by persuading states to add old, shredded tires to conventional black asphalt when mixing pavement.

Representative Ron Wyden, Democrat of Oregon, proposed an amendment to the surface transportation bill that would provide \$55 million over the next three fiscal years to states that paved their roads with the asphalt and tire combination.

Eight years of studies by the Federal Highway Administration seem to indicate that roads paved by this process last longer than roads paved with asphalt alone.

Representatives of the tire and solid waste industries are cautious, however, warning that the tire-asphalt combination may not be the cure to the nation's problem of deteriorating roads because it is too expensive.

#### PROCESS CALLED A SIMPLE ONE

The process for creating the paving material is relatively simple, according to John E. Huffman, vice president of marketing for the Sahuaro Petroleum and Asphalt Company, an Arizona-based concern that is one of a handful in the country using the procedure.

Discarded truck, bus or automobile tires, both rubber and synthetic, are ground to the consistency of a coarse powder and mixed with hot asphalt in a ratio of 25 percent tire to 75 percent asphalt. The mixture is spread on the road like regular asphalt and is allowed to set.

The normal life of a road surface, Mr. Wyden said, is six to eight years, but a surface paved with the tire-asphalt mixture can be expected to last 10 to 12 years.

"It makes sense" Mr. Wyden said. "You get more for your money."

Another attraction of the material is environmental. According to Environmental Protection Agency estimates, 240 million used tires are discarded annually. The cost of burying those tires in landfills, says Mr. Wyden, costs cities and counties more than \$100 million each year.

#### ASPHALT USES PETROLEUM

Similarly, proponents argue that the hybrid material could potentially help reduce America's dependence on foreign oil, since most asphalt products are made from petroleum.

Not everyone familiar with the material agrees it is a cure-all. "It's a technology, it works, it's commercially available," said Richard Hanneman of the National Association of Waste Management Officials, "but it doesn't always make economic sense. It's more a symbolic gesture to conservationists than anything."

Mr. Huffman of the Sahuaro company said that the mixture could cost "as little as 20 percent or as much as 50 percent" more to use than plain asphalt.

The Wyden amendment, which was passed by a voice vote, allocates \$5 million for the fiscal year 1983 and \$25 million for the fiscal years 1984 and 1985 to states that develop programs using the tire-asphalt paving mixture.

The money would come from revenue produced by the 5-cent-a-gallon increase in the Federal gasoline tax that was approved by the House on Tuesday. ●

## PERFECTING THE EXPORT TRADING COMPANY ACT

**HON. DOUG BARNARD, JR.**

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. BARNARD. Mr. Speaker, when Congress passed the Export Trading Company Act in October, we made a major step toward allowing small and mid-sized firms get into exporting. We intended to allow them to deal with export trading companies set up by or doing business with their own local banks.

However, due to a mischance, the provisions of section 23A of the Federal Reserve Act does apply to transactions between a bank and its trading company affiliate. This will cause severe problems for smaller and regional banks that decide to set up such an export trading company. On Friday, I introduced legislation that will correct this problem and make it possible for regional and small banks to participate in an export trading company.

At this point, I would like to insert an explanation of the problem:

THE EFFECT OF COLLATERALIZING BANK EXTENSIONS OF CREDIT TO EXPORT TRADING COMPANY AFFILIATES UNDER THE EXPORT TRADING COMPANY ACT OF 1982

The Export Trading Company Act represents a clear expression of Congressional initiative to allow bank holding companies to move directly into the exporting business. Congress limited bank holding company investment in ETCs to 5 percent of consolidated capital and surplus, and provided that a further 10 percent could be extended in credit to the ETC subsidiary.

It seems apparent that Congress intended to exempt extensions of credit from the collateral requirements of Section 23A of the Federal Reserve Act. However, because the language in the Export Trading Company Act states that the exemption applies to requirements of Section 23A "in effect on October 1, 1982," a technical problem has arisen. Congress in effect replaced those requirements with new requirements upon the passage of the Depository Institutions Act of 1982 on October 13, 1982. The collateral requirements in Section 23(a) will remain essentially as they were on October 1, but the wording of the Export Trading Company statute now leaves open the interpretation that the subsequently enacted Section 23A does apply to Export Trading Company extensions of Credit.

The report of the House Committee, the Conference Report, and the attached article by a Treasury Official all state that the collateral requirements are not applicable. It therefore appears that a technical correction is required in order to mesh Congressional intent with the actual wording of the statute. Failure to correct this problem would result in the Export Trading Company legislation being unable to fulfill Congressional expectations of its role in promoting foreign trade expansion for the following reasons:

(1) ETCs in a start-up or growth phase will, most likely, have inadequate collateral



against which to borrow; hence, growth will be thwarted. The dynamics of growth are such that working capital is generally strained since increased sales create a larger working capital requirement. Collateralized borrowing generally can't support the larger requirement. The result is a forestalling of sales growth which is clearly opposite to the purposes of the ETC Act.

(2) World trade in services exceeds \$600 billion per year, and global competition for the business is fierce. It would therefore appear imprudent and contrary to the objectives of the ETC Act to make lending difficult for either the export of trade services or the providing of trade services. Financing export trade services on a collateralized basis is either not possible or difficult in practice for several reasons:

Financing services establishes no transaction-related physical inventory available as collateral; hence, financing is made difficult if not impossible on a collateralized basis.

Providing initial or expanded trade services will involve significant "beefing-up" and operating costs. The inability to borrow may forestall the process.

Secured lending in the export of trade services area is difficult in practice as perfecting a security interest in a service contract is virtually impossible.

(3) ETCs of small or regional bank holding companies would be at a competitive disadvantage. They are generally unable to downstream credit to an ETC affiliate on an unsecured basis and not have easy access to the commercial paper and other short term liability markets.

(4) A collateral requirement would unnecessarily restrict and hinder the flexibility of export trade financing, contrary to the stated intentions of Congress in enacting the ETC bill. For example, a frequent requirement for an ETA in completing a transaction is the requirement to bridge financing to cover the flow of goods from one point to another in the trade process. Frequently, an ETC must pay a supplier of goods purchased prior to goods being loaded on a ship. A typical letter of credit sale transaction is necessary before drawing can be made, and gap created must be financed, hence, the term "bridge". It would be most difficult to finance this transaction on a secured basis and would have an adverse effect on the need for flexibility.

(5) Collateralized lending is more costly and labor intensive than unsecured lending. Administrative costs for collateralized lending are great due to monitoring and manpower expense. Additionally, it may be necessary to have duplicate staffs in the bank and ETC affiliate monitor or comply with collateral requirements. This being so, an ETC would be at a competitive disadvantage and less attractive to management.

(6) Normal bank lending standards and regulatory supervision should be perfectly adequate in making a proper lending decision to an ETC affiliate. Secured lending should be a management decision depending upon individual circumstances, including factors such as capital base, leverage, and quality and size of receivables.●

## INSIDE ANDROPOV'S MIND

### HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. McDONALD. Mr. Speaker, William Safire wrote a very perceptive column on December 6, 1982, in which he outlined how Yuri Andropov must be viewing the world situation. In my view, it is a realist assessment, and in particular, I would like to call the attention of my colleagues to Andropov's supposed thoughts on Mexico. The column follows:

[From the New York Times, December 6, 1982]

#### INSIDE ANDROPOV'S MIND

(By William Safire)

A couple of months ago, when last I shared my innermost thoughts with you in this space, I explained how I—Yuri Andropov—was going to gain control in the Kremlin after Brezhnev's death. Events have proceeded according to the plan I laid out then: Chernenko and the Brezhnev clique have been rebuffed, and Viktor Grishin has been told by Marshal Ustinov that he would have to wait his turn.

Why do I expose my most intimate plotting in an internationally syndicated column? Simple: 15 years at the head of the K.G.B. taught me the lesson of Edgar Allan Poe's "Purloined Letter"—the best hiding-place is in the open. No better way exists to conceal my purposes than to continue to publish them here from time to time—everybody will think these are the products of some pundit's fevered imagination.

And now to work. In Brezhnev's time, we caught up with and surpassed the Americans in nuclear striking power; in my time, we will consolidate our strategic position in some sort of SALT treaty, and fix our economic mess with the active aid of the West.

However, this curing of our internal weakness, relying as it will on détente and increased trade, will infuriate Comrade Grishin and trouble Marshal Ustinov. If it is not accompanied by concerted action to improve our strategic position and weaken the Americans, I could wind up as the Malenkov of this generation.

The answer is oil. On our side of the world, control of Persian Gulf oil—and the ability to bring Europe to its knees—lies through Afghanistan.

We are currently bleeding in Afghanistan, with 105,000 Soviet troops unable to control the area and obliterate all opposition. Increasing chemical warfare would be effective on guerrillas, but using more poison gas might make it easier for the Americans to avoid a SALT agreement.

We must either get out of that country, using our withdrawal as the quid pro quo for a rapprochement with the Chinese, or go in with the 250,000 more troops Ustinov says he needs to exterminate opposition. If I thought pulling out of Afghanistan would bring Peking back into our orbit, it would be worth the embarrassment—but after the way Huang Hua was fired for shaking my hand, I doubt that is in the works.

The alternative is attractive: to crush the Afghans and to put 500 Soviet tanks in the southwest corner of that country, just over 200 miles from the Straits of Hormuz. Unlike most of that miserable, mountainous

country, the south is flatland—tank country. We would then be in position to close off the Persian Gulf when Khomeini dies and Iran comes apart. I have 2,000 men in Iran today who know what to do.

We might never have to choke off Europe's lifeline, of course, but in power balances, the ability to do so is what counts. The American rapid deployment force would be a joke, with Soviet tanks and troops in place at the jugular of Middle East oil. Would we pay in terms of world public opinion? Our firm action in Poland, and the world's handwringing response, is the answer to that.

On their side of the world, our strategic target is Mexico. That is the West's great oil supply of the future, and with relatively little effort we could create much mischief there. Guatemala and Honduras are the places of entry, but we must combine external pressure with internal revolution.

If any country is ripe for revolution, Mexico is. For three generations, the ruling circles have been pretending to the peasants that the revolution has already happened. The corruption is worse in Mexico City than it is in Moscow, and that's saying plenty. My agents tell me that one former President may have a billion dollars in assets abroad. The new President has been serving as finance minister, which makes him appear either blind or venal.

A few months ago, the Government threatened to make public the names of the businessmen who sent money abroad; that plan was dropped when someone else found records of the Government and Pemex officials who enriched themselves. Now nothing is published, but such wholesale corruption fills the room with gas and only a revolutionary spark is needed. We should be able to provide that at no great expense.

Major trouble on the southern border of the United States is the last thing Mr. Reagan and his successors will need. It would keep them off balance, in strategic terms, for a decade, at no cost to the Soviet economy. It might force them to concentrate on their southern oil problem as we deal with our southern oil problem, and offers the possibility of an agreement on spheres of influence.

I do not have the length of time of a Brezhnev or a Stalin, but I have enough time to make a difference. Maybe if I took the 250,000 troops from the Chinese border and put them in Afghanistan, I could accommodate Peking and prepare to take advantage of the Iranian opportunity at the same time.

That would outfox Viktor Grishin. He headed off my bid to be head of state as well as head of party, and I must avert a Grishin-Chernenko appeal to the Army. The ruler of the Russias must not allow his own back to become a target of opportunity.●

## THE SYMBOLS OF SOLIDARITY

### HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Ms. MIKULSKI. Mr. Speaker, my uncle, Mr. Edward Blazucki, brought the following article to my attention. The article, "The Symbols of Solidarity," by Eugene Kusielewicz, appeared

in the November/December issue of Perspectives, a Polish-American educational and cultural bimonthly newsletter. At a time when the Polish people cautiously look forward to better times, their symbols of solidarity and faith are particularly important for all of us during this holiday season.

THE SYMBOLS OF SOLIDARITY  
(By Eugene Kusielewicz)

Every major movement has its symbols. The French Revolution had its tricolor and its Marseillaise. The Russian Revolution has its red star and its hammer and sickle. Occupied Poland had its "Polska Walczaca," its "Fighting Poland," the letter "W" meaning fighting, with the letter "P" rising from the center of the letter "W" representing Poland rising from its struggle. We are familiar with the Solidarity logo, "Solidarnosc" with the Polish flag rising from the end of the letter "n". It created the impression of a number of people, determined people, marching forward under the Polish standard. But how many are aware of another Solidarity symbol, the Christian Cross?

It is said that the beginning of this symbol occurred during the visit of Pope John Paul II to Poland. The highpoint of his visit to Warsaw was his appearance in Victory Square, beneath a huge Christian Cross, beautifully proportioned to blend in with the dimensions of the square. After the ceremony, which was attended by hundreds of thousands of Poles, the cross was removed. It appeared again, pointing to the heavens on the death of Cardinal Stefan Wyszyński, the primate of Poland. Again, after the mournful Polish nation paid its last respects to their beloved leader, the cross was again removed. It is believed that it now rests in storage in one of Warsaw's many churches.

Following the events of December 13, 1981, when General Wojciech Jaruzelski launched his virtuosic—though most Poles would call it diabolical—attack upon the leadership of the Solidarity movement, the Christian Cross reappeared in Victory Square, this time in the form of hundreds upon hundreds of flowers, not pointing in triumph to the heavens, but laid out flat on the stones that formed the surface of the square. Each night, after curfew, the police would remove the flowers that made the cross. Each morning the flowers would appear again. Each day the cross would take on a new shape or form. Each day it grew. One day the "V" for victory would appear at the base of the cross. The next day it would be the symbol for "Polska Walczaca." And the day after that there would be a number of smaller crosses surrounding the larger cross. In the beginning some people brought pictures of John Paul II, Cardinal Wyszyński or Lech Walesa. Later others brought candles. While still later, others brought banners stating that "Solidarity Lives," "Free Walesa," or "Return Poland to the Poles." Who started the cross, nobody knows, though some think that it was begun by members of the various orders of nuns that abound in and around Warsaw. Who publicized it among the people of Warsaw? Nobody knows. Yet everybody knew. Every day, week in, week out, hundreds, no thousands if not tens of thousands of the ordinary men and women of Warsaw came with their offerings. Though it was the heart of winter, they came every day with their fresh flowers, their candles or their banners. They knelt and they prayed and then

they left. It was as if the Polish nation shared a common knowledge and a common need, a need they found in the Christian Cross.

After the murder of a number of miners at the Wujek mine, the cross reappeared in Victory Square, this time made of coal. At night the coal was removed. In the morning the coal reappeared again. One day some Poles replaced one of the stones that made up the floor of the square with a plaque bearing the names of those who were killed at the mine. That night the names were covered with a layer of cement. The following morning the cement was covered with a forest of candles and the cross reappeared again, causing no end of frustration for the martial law authorities. The police watched. From the roof of the Hotel Victoria at the edge of the square they filmed those who brought the flowers, the candles, the banners and the coal. But they did not interfere. One day, though, the square was surrounded with high fences. No one could enter it. People wondered why. The official version noted that the floor of the square was badly in need of repair—and indeed it was. The square would therefore be closed until the repairs were completed. But to the ordinary inhabitants of Warsaw the explanation became clear. The government was embarrassed by the constant reappearance of the Christian Cross.

If the martial law authorities thought they had solved their problem, they were sadly mistaken, for the following day two Christian Crosses appeared in the heart of Warsaw, one in front of the Church of the Visitation Sisters, the other in the small courtyard between the belfry and the Church of St. Ann. These crosses were not removed at night. Apparently the military authorities do not wish to alienate the leadership of the Catholic Church, even a note appeared at the foot of the cross in the courtyard of the Church of St. Ann calling for a general strike on November 10th. The Cross has become part of the Polish underground vocabulary. It has become a symbol of the unity of the Polish people, a symbol of their hope and their belief that someday the people will overcome.

The official logo of the movement, "Solidarnosc," was extremely popular in the first months of the movement. But in time, as Solidarity became more and more popular eventually embracing the greater part of the Polish nation, many opportunists began wearing the pin. The symbol began losing its popularity. Yet every people and every movement needs its symbols. Now the people of Poland have turned to Our Lady of Czestochowa, the patron of Poland's most sacred shrine. Lech Walesa usually wore a small square representation of Our Lady of Czestochowa in his lapel. Now, more and more of the people of Poland are following his example. Some do so because of the religious connotation. But most do so for another reason, as a demonstration of protest against unbearable, unreasonable and unconstitutional conditions. They cannot wear their Solidarity logos. They cannot wear their "resistors." But the government is still too uncertain and unstable to challenge the Church by preventing the people of Poland from wearing a representation of Our Lady of Czestochowa, especially during this, her six hundredth anniversary. ●

## A SALUTE TO JOE PATERNO

## HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. WOLF. Mr. Speaker, "Stop the rain, Joe! Stop the rain, Joe! Stop the rain, Joe!" chanted a stadium of football fans one drizzly Saturday afternoon in 1975. Penn State students and alumni alike have come to expect such miracles from our coach, Joe Paterno.

The scene was the Penn State-Stanford game, the second home contest of the season. By the second quarter, the rain had stopped, the clouds cleared, and Coach Paterno went on to lead the team to an outstanding 34 to 14 victory.

Joe Paterno's 16-year career as coach of one of America's finest college football teams includes many such feats. His amazing record shows 161 victories, 34 losses and 1 tie—representing a total winning percentage of 82.4. That fine record ranks Coach Paterno third among active coaches in career victories and eighth among coaches through college football history.

This season alone he has ushered the team to 10 victories, with consistently high scores—including our 54 to 0 victory over North Carolina State and a 49 to 14 win against Rutgers. The season's highlights include an impressive win over Notre Dame, 24 to 14, and a spectacular victory over Nebraska won by a 2-yard touchdown pass in the closing seconds of the game. But the team's crowning glory was a 19 to 10 sweep over arch rival, the University of Pittsburgh.

Such exciting seasons are hardly uncommon. Our coach has led 12 consecutive Penn State teams to bowl games. This year my alma mater challenges the Georgia Bulldogs in the Sugar Bowl—our fourth Sugar Bowl bid in the last decade.

I salute Joe Paterno and the Penn State Nittany Lions! This is one victory that will indeed be sweet! ●

## MILITARY SPENDING, DISARMAMENT AND NUCLEAR WEAPONS

## HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. HUBBARD. Mr. Speaker, I received an excellent letter from one of my constituents, Gary Bush, of Olmstead, Ky. Mr. Bush has written to me with regard to his concerns about military spending, disarmament, nuclear weapons and the "Ground Zero" movement. I believe that my col-



leagues will be interested in his comments, particularly as the 97th Congress continues to address these important matters as it prepares to adjourn. The letter follows:

OLMSTEAD, Ky.,  
September 20, 1982.

To: Congressman CARROLL HUBBARD.  
From: Mr. Gary Bush.  
Subject: Military Spending vs. Disarmament.

This new "Ban the Bomb" movement called "Ground Zero" follows the pattern of a much used and highly refined Communist tactic to soften up the United States by appealing to warm hearted and soft headed Americans. Today both the United States and Russia are armed with nuclear weapons and the "Ground Zero Movement" is using our own citizens to try to shame or scare us into throwing our weapons away by putting a freeze on our nuclear arsenal. The Russians can and will continue their buildup of both nuclear and conventional weapons, not to mention poison and nerve gases.

These proposals are not the road to world peace, they are tantamount to surrender. The aim of the USSR is to rule the world and the only thing blocking their conquest is the free world's stockpile of nuclear weapons. They can destroy us, but at the present time, we can also destroy them. But now, they want us to throw away the equalizer.

I love life and want peace, but not peace at any price, not at the price of freedom. Daniel Webster once said "God grants liberty only to those who love it and are always ready to guard and defend it."

I have no easy solution to offer. The risks of nuclear war can only be eliminated completely by our surrender, but they can be reduced by making the free world so strong that Russia cannot afford to annihilate us. We must accept guns instead of butter on a scale required to make us too strong for anyone to risk attacking us.

I once read that "The one chink in the armor of any democracy is that when the Plebs discover that they can vote themselves Bread and Circuses, they usually do . . . right up to the point that there is neither bread or circuses." We need to cut Federal spending and growth but not at the expense of national security.

#### KLAN'S IMPORTANCE BOTH MINIMIZED, EXAGGERATED

HON. WYCHE FOWLER, JR.

OF GEORGIA  
IN THE HOUSE OF REPRESENTATIVES  
Sunday, December 19, 1982

● Mr. FOWLER. Mr. Speaker, I would like to take this opportunity to share with my colleagues an article about the Ku Klux Klan that appeared in the Atlanta Constitution. This article, written by Charles F. Wittenstein, southern civil rights director for B'nai B'rith's Anti-Defamation League, is a fine piece of analysis which places the Klan in its true context as a small but potentially dangerous terrorist organization. Mr. Wittenstein convincingly demonstrates why we cannot afford to ignore the Klan and similar hate groups. As he says in conclusion:

A democratic society cannot tolerate groups that use violence and intimidation to

settle public issues. Either democracy or terrorism will survive, but not both.

The article follows:

#### KLAN'S IMPORTANCE BOTH MINIMIZED, EXAGGERATED

(By Charles F. Wittenstein)

The Ku Klux Klan must be taken seriously as a terrorist organization, but not as a mass movement representative of any substantial influence in America. The pointy-headed Kluxer may look ridiculous in his bedsheet and hood, but he is menacing when he points his shotgun or semiautomatic rifle.

The new "Confederation of Klans," formed Labor Day weekend at Stone Mountain, must be viewed in this context. For a variety of reasons, the importance of the Klan as an organization has been both exaggerated and minimized. The extent to which it's genuine threat, and the nature of that threat, have been obscured by the passions the subject arouses, by Klan secrecy and by both Klan and some anti-Klan elements who are blowing smoke.

It's obvious that grand dragons and imperial wizards have a state in overestimating the KKK. One of the reasons they got into the Klan in the first place was because the costume and the myth made them feel important. Some Klansmen owe more to P. T. Barnum than to Nathan Bedford Forrest; you know, there's a sucker born every minute. For some, Klan leadership is a livelihood, and it beats working.

The communications media, particularly television, seem to love Klan stories. They are picturesque, a photo opportunity, a change of pace and an oddity—like a two-headed snake. As a result, the Klan seems to receive more publicity than its numbers warrant.

Then there are those on the radical left who would have you believe that Klansmen are proxies for the police, and are supported by the establishment (a.k.a. "the capitalist oppressors") to keep blacks in their place and divert poor whites from class conflict to racial conflict. Consistent with this scenario is the view of the Klan as the tip of the iceberg, as truly representative of racist America (sometimes spelled Amerika).

Underestimating the KKK may be a device used by those who believe that if we pretend it isn't there, it will go away; or by those who would simply prefer to avoid the ugly reality and not confront the problem.

The Anti-Defamation League of B'nai B'rith has been monitoring the Klan for almost 70 years now. ADL estimates the Klan's current national membership in the range of 10,000 to 12,000, an infinitesimal percentage in a population of 230 million. It cannot, therefore, be considered a significant national movement, whether united or fragmented. Rather, it should be seen as a fringe element in American society—and a lunatic fringe at that.

While Klan membership is slightly larger now than it was three years ago, in a recession it should have done better. It still has only about 20 percent of the numbers it had in the 1960s, and is far below its peak of several million members in the 1920s. In those days, it had real political influence through control of many public officials and law-enforcement agencies.

That's gone now, except for a few isolated rural areas where it retains some influence. The small number of card-carrying Klansmen contrasted with the large majority of white Christian Americans who abhor the KKK explodes the pretensions of the lead-

ership who claim to represent whites. Such a claim is nothing but a fraudulent pitch for respectability.

Even with its new-found unity, the Confederation of Klans includes no more than half the national KKK membership, maybe less. Nevertheless, the Confederation appears to be an achievement that may enable it to mobilize more manpower and resources for major events and, by putting on a big show, enhance its status.

But it could just as easily turn out to be a paper tiger, a loose alliance rather than a genuine merger. Klan leaders are notoriously reluctant to share dues. And the Confederation could collapse completely if and when Don Black, the newly elected grand wizard, who's also a convicted felon, goes to a federal penitentiary. He's out on bail pending appeal of his conviction of conspiracy to overthrow the government of the Caribbean island nation of Dominica.

Why, then, the KKK seriously? Take it seriously because it's teaching hatred—racial, religious and ethnic bigotry. It's teaching white supremacy and anti-Semitism, which is un-American, and, according to my Christian friends, anti-Christian. If ours is to be a decent and just society, fit for good people, it will be built on mutual respect among racial, religious and ethnic groups, on equality before the law, and equality of opportunity.

Add to the element of hatred the fact that the Klan is well-armed and engaged in paramilitary training, and that it has a history of violence and intimidation, and it adds up to a terrorist threat. And violence is by no means a thing of the past—in recent years numerous Klansmen have been convicted of crimes of violence and attempted bombings.

"The race war is coming. Be prepared," shouts the Klan leader in what he hopes will be a self-fulfilling prophecy. "These guns ain't for killing rabbits," he continues, "they're to waste people." Better believe it.

While Klan membership is small, the Klan mentality is much more widespread. But ignorance and bigotry may be counteracted by education, hate overcome by love. Terrorism, however, must be counteracted by vigorous and effective law enforcement on the local, state and federal level.

The Georgia Bureau of Investigation and the federal Bureau of Alcohol, Tobacco and Firearms are doing a fine job, but the Federal Bureau of Investigation should devote more of its resources to Klan surveillance in order to avert tragedy. This can be done with respect for civil liberties.

It's about time we understood what terrorists have always known: A democratic society cannot tolerate groups that use violence and intimidation to settle public issues. Either democracy or terrorism will survive, but not both. ●

JOHN STEINBRUCK

HON. TOM LANTOS

OF CALIFORNIA  
IN THE HOUSE OF REPRESENTATIVES  
Sunday, December 19, 1982

● Mr. LANTOS. Mr. Speaker, I would like to bring to my colleagues attention an article that appeared in the Washington Post Sunday Magazine of December 19 concerning Pastor John Steinbruck of the Luther Place Memorial Church here in Washington. I

became acquainted with Reverend Steinbruck through his work to establish Raoul Wallenberg House as a home for poor families of Washington. His dedication to the needs of the poor, the homeless and the less fortunate is a model for all of us during this season of the year. I consider myself a much better person simply by my association with John Steinbruck.

It is my pleasure to submit the following article for my colleagues:

JOHN STEINBRUCK

Luther Place Memorial Church is a neo-Gothic edifice of magnificent browstone; it is on Thomas Circle, an area bustling with prostitutes and pimps, drug pushers and vagrants. Pastor John Steinbruck calls the neighborhood "the right place for Christian ministry," and he views his church as "an oasis in the asphalt desert of Washington." He cites the hospitality biblical Abraham and Sarah gave to the strangers who turned out to be angels; he says that in every instance one helps strangers, they are angels.

"Jesus was homeless, an itinerant," Steinbruck says. "His companions were exiles, the sick and the hungry." In the 13 years of Steinbruck's ministry, Luther Place has become what officials call "a safety net" for people who have nowhere else to go. On any night, up to 40 homeless women sleep on mattresses placed on the chapel's floor. On N Street, the church sponsors a "village" of townhouses: the Day Center for women to sew, do their laundry, talk to counselors or just rest; Sarah House, for up to 20 homeless or mentally disturbed women; Raoul Wallenberg House, for families evicted; Deborah House, for helping women to return to an independent life; Zaccheus Medical Clinic, for providing health care for 5,000 indigents a year; and a free store that distributes food and clothing.

"We care for the urban nomads, the refugees of the street," he says. "This church is a secure place for them." Walking around the block, he trades greetings with prostitutes. (They are allowed to use the church's bathrooms, but the prostitutes do not want Steinbruck on their turf: his clerical collar discourages clients.)

He chats with a bag lady named Michelle. "In the winter we give her a hat and a pair of gloves, but she returns without them," he says. "She gives them away to people she thinks need them more."

He chides a derelict for drinking. "Robert is intelligent, a lovely human being," he says. "He comes from a fine family, with a brother who has a PhD. But he can't pull himself together."

"The worst crime is not to care," Steinbruck says. "We presume to be the hosts, but we become the guests, as these people bring us into the Kingdom of God. God always acts in solidarity with the weak and the poor. This church would be long gone without the homeless it helps." ●

#### VISITING RIGHTS FOR GRANDPARENTS

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. BROOMFIELD. Mr. Speaker, last week my constituent, Mr. Richard

S. Victor, testified before the House Aging Committee's Subcommittee on Human Services regarding a growing national problem. This problem which affects many of our Nation's elderly concerns their inability to see their grandchildren when the grandchildren's parents are no longer together.

As this Nation's postwar baby boom ages and with the continued high divorce rates, the number of grandparents who are being denied visiting rights with their grandchildren will also grow enormously, however, there is more to this problem than the heartrending trauma that the grandparents face in this situation. The grandparents also suffer for they are being denied the contact, the communications with, and the mutually supportive love that is part of the grandparent/grandchild relationship.

Mr. Victor, as an attorney in private practice in Oak Park, Mich., has developed considerable expertise in this area of grandparent visiting rights because Michigan is one of the few States that have State legislation in this area.

Mr. Speaker, while there may be legitimate questions of proper Federal jurisdiction in this area that still must be addressed, I am including portions of Mr. Victor's testimony to better acquaint our colleagues in the Congress with this growing area of concern for this Nation's elderly.

The testimony referred to follows:

#### TESTIMONY TO THE HUMAN SERVICES SUBCOMMITTEE OF THE SELECT COMMITTEE ON AGING—GRANDPARENTS' RIGHTS TO VISITATION

As a result of continued population growth, especially our "baby boom of the 40's," the 1980's and 1990's will provide our society with a greater number of grandparents than we have known in our recent past. Add to this fact that the divorce rate in our country is staggering with estimates of almost one divorce for every two marriages, and in addition, these divorces are occurring between young parents who have young children, we can see that this trend in our society can create conflicts which were unimaginable in past decades.

Some of these conflicts need legislative involvement in order to cure injustices which might occur. Whether the legislative involvement which is necessary should be on a state-to-state basis, strictly Federal, or a combination of both, is a question which needs to be answered at this time.

Grandparents across our nation have been standing up and speaking out when they have been denied the opportunity to visit with their grandchildren for no apparent reasons. This has taken place in the form of the formation of various support groups on a state and national level, as well as numerous court cases which have been pursued to enforce inherent rights of grandparents to be able to visit with their grandchildren. The title of this subject "grandparents' rights to visitation" is only one-half of the subject. The converse deals with the rights of grandchildren to be able to visit with, communicate, and maintain contact with their grandparents. This, I believe, should be the crux of our investigation. This

should be of significance to the legislative bodies which pass laws to protect segments of our population who are not able to protect themselves as well as to pass laws which provide remedies where injustices have occurred. To quote Arthur Kornhaber, M.D. and Kenneth L. Woodward: "The grandparent and grandchild relationship is a vital connection."

Through my work as an attorney in private practice in the State of Michigan, I have had numerous dealings with grandparents who have been denied the right to visit with their grandchildren. Because of these denials, these grandparents were forced to seek court intervention to enforce rights which these grandparents felt were their rights inherently. Unfortunately, the rights which they have, if any, are statutory in nature. Therefore, my clients have been limited to what was set forth by state statute in the State of Michigan and the appellate decisions which interpret those statutes, and have only been able to be successful in receiving court intervention when legislation was provided by the state recognizing this issue.

Through our extensive research we have found various state statutes which deal with this topic and which will be discussed later in this testimony. Several of these state statutes have conflicts within the statutes themselves which has caused a great deal of confusion when they are interpreted by the courts. In all of these cases, grandparents, whether maternal or paternal, were involved and wanted contact with their grandchildren. In very few cases have we dealt with grandparents fighting for custody of their grandchildren over a natural parent. The cases that we have primarily dealt with are of such a nature that grandparents only wanted to continue a relationship with their grandchildren that had been established and they wished to continue, but had been terminated arbitrarily by the legal custodian (usually the parent or parents) of the child.

Public attention has been drawn to this issue because of the deep emotions and the equities that are involved. In no case do I believe that grandparental visitation is an absolute. Not all grandparents should be able to visit with their grandchildren. There may be many instances where in fact it would be detrimental to a child to be subjected to visitation with his or her grandparents given the proper factual setting. However, these decisions must be made on a case by case basis with one underlying theme or factor; and that is, that the best interests of the child shall control.

States' attempts to define best interests somehow seem more logical when put in the setting of legal proceedings involving disputes as to custody of minor children. Questions of visitation have usually been left to the discretion of trial court judges to determine what visitation should be granted and to whom. Most cases have dealt with questions of visitation concerning non-custodial parents of minor children. We do not have concrete legislation that specifically sets forth criteria to be utilized in making determinations regarding visitation of minor children with their grandparents.

#### 4. THE PROBLEM WITH STATE LAWS AS THEY CURRENTLY STAND (MICHIGAN AS A PRIME EXAMPLE)

The history of grandparents' rights to visitation in Michigan, can be traced as recently as a little over one decade ago. In 1971 a state law was passed.



This state statute limited the rights of grandparents to seek visitation to situations where there had been a death of their own child leaving a minor grandchild. It would have created a remedy to our client, except for the fact that a stepparent adoption occurred in those factual situations. This was the problem that Michigan faced when a 1979 Court of Appeals decision (*Bikos v. Nobliski*, 88 Mich App 157 (1979)) was asked to interpret conflicting statutes dealing with this grandparent visitation statute and the Michigan Adoption Statute.

The Michigan Court of Appeals in the *Bikos*, *supra*, case held that the Order of Adoption Statute took precedence over the Grandparent Visitation Statute which effectively made the natural grandparents of a minor child who was adopted by a stepparent following the death of the natural parent, no longer the legal grandparent of that child. Obviously, this conflict created harsh results and in my opinion a tremendously unjust dilemma for grandparents throughout the State of Michigan. In 1980, following the efforts of many groups and individuals, the Michigan Adoption Statute was amended to read: "... after entry of the order of adoption, the adopted person shall no longer be an heir-at-law of a parent whose rights have been terminated or the lineal or collateral kindred of that parent . . . ." (MCLA 710.60 as amended)

The effect of that amendment, was that the adopted child would no longer be an heir to its natural family line once the child's parents' parental rights had been terminated. But, if there had been no termination of parental rights, the child's natural blood line would not be destroyed. This would then not take away from natural grandparents their standing as legal grandparents of a minor child who was adopted unless said adoption followed termination of parental rights.

In addition, in 1980, the Michigan Child Custody Statute (MCLA 722.27) was amended to provide:

"Upon petition consider the reasonable visitation of maternal or paternal grandparents and, if denied, shall make a record of such denial."

On its face, one would think this amendment to the Michigan Child Custody Statute would solve the problems that grandparents would have when being denied visitation with their grandchildren. However, albeit the intent of the legislature was good, they placed this amended statute under a section of the Michigan laws which had a preamble. The preamble, or prerequisite to utilization of this amended statute, provided as follows:

"If a child custody dispute has been submitted to a circuit court as an original action under this act or has arisen incidentally from another action in a circuit court or a judgment of a circuit court, for the best interests of the child the court may: . . ."

Therefore, in order for a grandparent to attempt to utilize the statute which allows them to petition for consideration regarding visitation, there must either have been, or presently have, a child custody dispute involved. In the cases I have litigated, very rarely does a grandparent seek custody of their grandchild. They merely want visitation and, therefore, cannot avail themselves to the remedy which Michigan has provided.

A brief research into how other states handle this dilemma finds that over twenty states have passed legislation dealing with this problem. Within these twenty states

there are tremendous conflicts, especially once a stepparent adoption occurs. Other conflicts arise in the interpretation of these statutes and whether or not they are to be construed to intend that grandparents have standing to intervene in divorce proceedings to assert their rights to visitation while their own children's divorce matter is pending. Oklahoma (Oklahoma Statute Annotated Title 10, § 60.16) has a unique enactment which appears to set forth that grandparents have visitation rights with their grandchildren unless they are terminated by court order, and such is true even though the child may be adopted by his stepparent. Because of the frequency of stepparent adoptions and what affect the stepparent adoptions have on the grandparents of the child, specifically with respect to visitation rights, we need some cohesive legislation on a Federal level to help our states draw together into a unified position with respect to this problem.

#### 5. THE NEED FOR UNIFORM GRANDPARENTAL VISITATION RIGHTS ACT

Other than the need for a clear and concise understanding of this problem from a national perspective, and Federal legislation appropriate thereto, there is another reason why there is a need for Federal legislation dealing with this problem. In several cases wherein I represented grandparents who were forced to seek court enforcement of their visitation rights, we have been threatened by the parent or legal custodian of the minor grandchild involved, that if we were to pursue our court action they, the parent or legal custodian, would remove the child from the State of Michigan. Considering the fact that the City of Toledo, Ohio is approximately the same distance from Detroit, as the capitol of our state, Lansing, Michigan, this threat of removing children from the state is very real. What remedy would a grandparent have when faced with this threat? If we had Federal legislation, along with state legislation, dealing with this problem, such as we have with our civil rights legislation, the threat of moving from one state to another to avoid enforcement of court orders would be a mere "puff of wind."

Our society today is a "transient society." We are little more than three hours away by air from one coast to another. People move from one state to another as easily now as we used to move from one city to another. The problem of grandparents' rights to visitation is no longer a local issue. We need state statutes to protect people within the boundaries of our states. However, when the people involved live in different states or move from one state to another, then we need Federal legislation available for the same reason that we need state legislation when the parties are confined to one single state. Again, court enforcement of this legislation is a last resort! It is the motivating incentive for parties to reconcile their differences. It is the motivating incentive for parties to voluntarily seek counseling in hopes of reconciling their family traumas. But it does provide a last resort for injustices which may occur.

#### 6. SPECIFIC RECOMMENDATIONS

The most obvious recommendation that I can make, but one which is not part of these hearings is that each state adopt some form of legislation recognizing the problem of grandparents' rights to visitation and providing some remedy which would be available to enforce these rights. I would also suggest that state legislation set forth a

scheme of mandatory counseling through the use of professionals in the behavioral sciences to help provide direction for families who are in dispute and are suffering from the emotional traumas which are usually present when an issue of denial of grandparental visitation is involved. The court should be able to consider the willingness to cooperate in attempting to reconcile these problems and not allow one party to control the proceedings by blatant avoidance of attempts to reconcile the dispute.

Further, the court should be able to inquire into reasons for any alleged animosity (or why denial of visitation was made in the first place) and then consider only reasons where proper justification is presented. Obviously, if proper justification is presented, then this is to be considered when determining what is in the best interests of the child with respect to this visitation question.

There is no question in my mind that the problems relating to the rights of grandparents to visit with their grandchildren is a real concern to a great number of people in our country. This concern is one which shall surely grow because of the amount of divorce in our country. We must concern ourselves with the concept of the "extended family" which includes grandparents, stepparents, and other third parties from the traditional family unit. Further, grandparents "as seniors" of our society shall have a greater impact as their numbers increase. The concept of "grandma" and "grandpa" sitting in a corner unable to stand up for themselves and speak, no longer exists. "Grandma" and "grandpa," just as grandson and granddaughter, have inherent rights in our family unit. They are necessary to pass on the heritage of the past. They are a link in the long chain of continued growth and expansion of our society. They should no longer be ignored.

Psychiatrists, psychologists, and social workers can tell us of the importance that grandparents can have on grandchildren. As a former history major, it is interesting to note how different civilizations treat their older generations. It would seem logical that "seniors" can help us learn from our mistakes and teach us traditions and cultures which can be utilized and passed on in the future. Lastly, and it is something that I remind the litigants who are involved in cases where I fight in court for grandparent visitation, and that the parents who are standing in the way of allowing their children to contact, communicate, and share with their grandparents, will one day be grandparents themselves. How do they want their child to remember their own actions. We teach our children not by what we say, but by what we do. It is now time to do what must be done and to recognize the rights and responsibilities that we all face in the most basic structure that God ever created—the family. This is not a concern isolated to the local community, or even to a state as a whole. This is a concern, and a responsibility, of all citizens in our nation. I urge you to strongly consider adopting legislation, on a Federal level, in support of the rights of grandparents, and the rights of grandchildren in this regard. Thank you for your consideration.●

## CHILD CARE: A BUSINESS RESPONSIBILITY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Ms. MIKULSKI. Mr. Speaker, the care of this Nation's children deserves our special attention. The number of child care providers is decreasing at a time when the number of children needing care is increasing. One of the provisions of the 1981 Tax Act created employer-assisted child care programs. But so far, the business community has not made an overwhelming response. That is why I was encouraged to read about Mr. Arnold Hiatt's commitment to corporate child care programs in a recent issue of *Industry Week*. As president of Stride Rite Corp., Mr. Hiatt discusses a need for a cooperative relationship between business and the community. I call this excellent article to the attention of my colleagues.

[From *Industry Week*, Nov. 29, 1982]CHILD CARE: A BUSINESS RESPONSIBILITY  
(By Arnold Hiatt)

While there is no Hippocratic oath for businessmen, there is, nevertheless, a compelling responsibility that all of us share, one way or another, in meeting the needs of society. Business has become a social leader, and business people must elevate their vision of the bottom line to embrace social as well as economic goals.

It is only good sense for corporations to be involved in the community. The health of a society determines the health of its economy—as the Japanese have so effectively demonstrated. Corporations cannot separate work and family life, for their success ultimately depends on the well-being of the community. Battered wives, abused and abandoned children, broken homes, destitute families—all make limited customers.

Among the more critical needs that business must address are those of children, for they have no voice and they have no vote. There are currently six million youngsters under the age of 6, and 13 million under the age of 13, with mothers in the workforce. Many of these mothers are single parents who, without some kind of daycare assistance, could not find the dignity of work or achieve any kind of financial independence.

Yet, there are now available only one million places in pre-school child-care facilities—public and private—and the need is escalating rapidly. By 1990, it is estimated, two out of every three mothers will be working, with 55% of them having at least one child under the age of 6.

While strong initiatives must come from corporate leadership, as well as all of us as individuals, radically shifting the burden of social programs from government to the private sector is simply not feasible. Let me explain.

The total of all corporate giving last year amounted to \$2.7 billion. The total of all grants from foundations came to \$2.4 billion.

In contrast, the proposed cuts in programs designed only for children amount to a staggering \$8 billion. The cuts are for 1983 alone

and do not reflect those already made in 1982 and those proposed for 1984.

If for no other reason than to protect what remains of our nation's commitment to the young, we have no choice but to become more politicized and more vigorously involved in the electoral process. How our tax dollars are spent becomes the key issue. We can influence the choice of people who move into the vital decision-making roles in government and whose values and priorities could more nearly reflect our own.

Can we afford people in office who decide to eliminate funding for 100,000 children in day-care centers and thereby force some of these parents out of the workforce and back into welfare? Do we save resources by reducing nutrition programs for children by 44%, or health programs by 30%? Do we necessarily better serve national security by adding to our military stockpile rather than investing in an informed and educated, a motivated and healthy younger generation that would have the imagination and the energy, the confidence, and the competitiveness to reverse the downturn in productivity that increasingly hobbles our industrial machine?

In the final analysis, this may prove to be the true test of world leadership in the economic race against Japan and Germany.

A reasonable balance has to be struck between the imperatives of national security and the requirement in a just and free society that our children have the opportunity to develop their potential. Government monies allocated to meet the needs of children should be among the last, not the first, to be scrutinized by the budget slashers.

Mounting evidence suggests that in the future, corporate America, willfully or not, will be playing an expanded role in meeting day-care needs. A recent Harris Poll indicates that corporate-sponsored child care could emerge as a major labor-management issue before the end of the present decade. Certainly, it is an issue that should hold powerful appeal for many women's organizations which, in the wake of the ERA's loss and in light of the rapid growth of the number of two-paycheck families and single-parent families, are setting new priorities.

Today, unhappily, the child-care situation nationally, in terms of broad-based corporate support, is where health benefits were a half-century ago—virtually nonexistent. It is hard to imagine anyone who would accept a job these days that did not provide some kind of medical-insurance plan as part of an employee-benefits package. Child-care advocates see company-funded day care as a comparable "given" by 1990.

The approximately 50 firms across the country—big and small—that have already launched on-site day-care programs have reaped significant rewards. Improved worker morale; a competitive edge in recruiting and holding skilled employees; and improved job performance and significant productivity gains from lowered turnover, absenteeism, and lateness—these are some of the more immediate, visible benefits. The 1981 Economic Recovery Tax Act, which now provides complex tax writeoffs for all child-care outlays, makes the up front dollars-and-cents investment much less burdensome.

Taking the longer view, however, it seems to me that even the most pragmatic executive must be aware that whatever strengthens the bond between the workplace and the family very directly buttresses those special and economic institutions that are the foundation of our system of democratic free enterprise. ●

## JOSE LOPEZ PORTILLO PRACTICES "POLITICAL GIMMICKERY"

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. McDONALD. Mr. Speaker, Prof. Marvin Alisky, of Arizona State University, is quite an astute observer of the Central American scene. From time to time he publishes a column on events in that part of the world. A column of his on Mexico, which appeared in the *San Antonio Light*, was recently brought to my attention. While this column appeared on October 3, 1982, much of what it says is still true, only the situation in Mexico has gotten worse, and the peso is even weaker, now, in spite of American aid. As Professor Alisky points out, Lopez Portillo has to bear much of the blame for the present situation in Mexico. He and his friends got Mexico into its present condition. The private banks of Mexico did not bring on the present situation. Nationalizing the banks is merely playing to the coliseum crowd.

The column follows:

[From the *San Antonio Light*, Oct. 3, 1982]

## JOSE LOPEZ PORTILLO PRACTICES "POLITICAL GIMMICKERY"

(By Marvin Alisky)

In his annual "State of the Union" address Sept. 1, Mexican President Jose Lopez Portillo announced the expropriation of all privately owned banks, supposedly in an effort to stem the flow of dollars from Mexico.

Yet, his government, in fact already had stemmed that flow when it instituted currency controls without warning on that day symbolic of bad luck, Friday the 13th of August.

So the action of Sept. 1 was actually intended not to stop dollars from leaving Mexico, but to salvage some political support for Lopez Portillo.

Slated to be succeeded in office on Dec. 1 by Miguel de la Madrid, his former minister of planning and budget, Lopez Portillo has steadily lost popularity since the peso was significantly devalued early this year. Its further devaluation (from 49 down to 70 to the dollar) in August served to undermine still more that president's standing with his people.

In his State of the Union address, Lopez Portillo blamed his country's fiscal plight on international interest rates, foreign investors and "exploitation" of his country by more developed nations.

He did not choose to put any blame on his advisers, who had worked with him in compounding the public debt of Mexico.

Mexico's foreign debt of \$80 billion—\$60 billion of which is owed by the government itself and \$20 billion by the private sector—is the largest of any nation in the Third World. The total debt has grown so much that, for 1982 alone, interest payments plus amortization payments on debt maturing will reach almost \$20 billion. That amounts to 60 percent of Mexico's earnings from exports of goods and services.



It was not the privately owned banks of Mexico—Banco de Comercio, Serafin, Banamex, Longoria—which caused Mexico to approach near-bankruptcy, but instead the government's own unabated borrowing—its living beyond its income in order to fund economic expansion and diversification.

And the president knew that. His nationalization of the banks was not an economic move but rather a political one. Government-run banks likely will not help the Mexican economy any more than have deficit-ridden government-run railroads, airlines, mines and the telephone company.

Lopez Portillo's political objective in acting against the banks became apparent immediately. Or cable from Mexico City on Sept. 6 we could see video coverage of 500 government supporters parading past an expropriated bank. As Lopez Portillo presided over a ceremony transferring the bank to government control, the crowd cheered and waved Mexican flags.

The Federation of Unions of Government Employees (the FSTSE in Spanish) got its 31 unions to muster a cross-section of bureaucrats for the demonstrations.

There was also spontaneous public support for the move, for in the political lexicon of Mexico since its Constitution was promulgated in 1917, bankers are villains. The president knows this and hurled accusations at the private bankers in his Sept. 1 address, implying the private bankers were unpatriotic to have allowed depositors to transfer money abroad.

Mexico spent several years building up its foreign debt through deficit spending and will need, several years to recover from that binge. Now in order to get new loans from the International Monetary Fund and other foreign sources, the government must cut budget deficits. And to do that, it must cut subsidies for food and fuel going to Mexican consumers.

Such actions would have been unthinkable to the country's profligate leaders previously. The economic crisis, then, may prove a boon to the country in the long run, if it prods Mexico's leaders to follow sounder domestic policies.

With the adoption of such policies, Mexico can recover, for it has enormous natural resources.

Our neighboring republic has a skilled, industrious labor force and the good fortune to be close to a vast market in the United States.

And Mexico remains the world's fourth largest producer and exporter of oil. In 1982 alone, Mexico will earn more than \$14 billion from petroleum exports.

Back in the 1940s and 1950s, Mexico suffered sudden economic slumps, and recovered within two years each time. And that was before oil reserves had been discovered giving Mexico the extra income as a major seller of petroleum.

Recovery this time, however, will not be advanced by political gimmickery such as the nationalization of the banks represents.

A joke currently popular in Mexico contends: "Our country has arrived at the edge of a great abyss and so our government naturally took a giant step forward." Only if Mexico's government steps back to the firm ground of fiscal responsibility can the country achieve economic stability.●

## BAILEY OUTLINES SUPREME COURT GUIDES ON CHRISTIAN NEUTRALITY NOT SEPARATION

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. BAILEY of Missouri. Mr. Speaker, one of the most misunderstood concepts in Government today is the separation of religious principles from Government. In fact, Christian neutrality should be the rule. To this end, I offer the following summary of key U.S. Supreme Court decisions (and would note the grateful guidance and assistance of Mrs. Anne Neamon, National Coordinator of Citizens for God and Country).

### CHRISTIAN NEUTRALITY—NOT SEPARATION

Jefferson Walls of Separation did not separate the nation's legal structure from religious principles. "And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded the influence of refined education on minds of peculiar structure, reason and experience forbid us to expect the national morality can prevail in exclusion of religious principles." George Washington, Farewell Address, Abington V. Schempp, US 203, (1963). Lib. of Congress, copy 57, n. Administering in 1977 to the Laws of England, Justice Matthew Hale thundered, "blasphemy not only is an offense to God and Religion, but a crime against law, State and Government, because Christianity is a parcel of the laws of England." Similarly, the United States is legally structured, as all free nations upon religious principles, ours being Christian Ethics. Thus the Constitution, based on Biblical morality, serves the General Welfare, Justice, Tranquility, and Blessings of Freedom, not VICES.

Everson v. Board of Education 330, US 1 (1947) 35, 40, 52, 53, 54, n; p. 65. Jefferson's Walls of Separation were defined in his Caveat to the Virginia Assembly. Bill of Assessments, tithes, for Christian Sectarian Schools. Through Walls of Separation Jefferson resisted Christian SECTARIANISM, to "abolish all distinctions by government of preeminence amongst the different societies of communities of Christians . . . a tendency to usurp on one side or another, or to a corrupting coalition or alliance between them, will be best guarded against by . . . abstinence of Government interference in any way beyond necessity of preserving public order, and protecting each sect against trespasses on its legal rights by others". Jefferson advocated General Christianity for moral order, good government and happiness of mankind, but opposed Christian SECTARIANISM, relating his Walls of Separation to Neutrality, "Within the Christian Community", not to Secularism.

According to Justice Rutledge, "... authority which can establish Christianity, in exclusion of all other Religions, may establish with the same ease any particular sect of Christians, in exclusion of all other Sects." Thus, the Jeffersonian Walls of Separation, by means of Neutrality "Within the Christian Community" prevented the State of Virginia from departing from our founding principles as propounded by the US Supreme Court in—

Holy Trinity V U.S. 143 pp 480-471, "We are a Christian nation . . . nothing be done to hurt Christianity . . . legislate, propagate and secure the Christian faith. Not Christianity with established church and tithes and spiritual courts; but Christianity with liberty of conscience to all. General Christianity is and always has been a part of common law . . . to revile with malicious and blasphemous contempt, the religion professed . . . is an abuse of that right. We are a Christian people, and morality of the country is deeply ingrained upon Christianity not the worship of or doctrines of impostors. Passing into view of American life. In law, business customs and society, the same truth is recognized. This and many other matters which might be noticed add a volume of unofficial declarations to the mass of organic utterances that this is a Christian nation!"

The timely success of Jefferson's neutrality "within the Christian community" found outreach into the—

First amendment U.S. Constitution—"Congress shall make no law respecting the establishment of religion, nor prohibit free exercise thereof." This Establishment clause neutrality to secure religious freedom effected the ratification of the Constitution which had been intercepted until the inclusion of this clause. Religion was not defined, because Christianity was it! In this amendment the nation professed its belief in God, recognizing His supremacy and acknowledging the right of man to communicate with God with Constitutional protection as a right God-given and unalienable.

Thus, the first amendment asserts neutrality forbidding prohibition of free exercise by government "making law" to establish religion. Freedom of religion is protected by neutrality. Separation does not protect thus it is unconstitutional!

The First Amendment "prohibition" by neutrality is defined in great detail in—

Abington v. Schempp. p. 22, 71, 1973—"Secularism is unconstitutional . . . preferring those who do not believe over those who do believe— . . . It is the duty of government to deter no-belief religions . . . facilities of government cannot offend religious principles . . . Official encouragement of love of country and belief in God . . . untutored devotion to the concept of Neutrality can lead to non-interference and non-neutrality but also brooding and pervasive devotion to the secular passive and even active hostility to religion. Such results are prohibited by the Constitution . . . the fullest realization of true religious liberty requires that government neither engage in nor compel religious (Sectarian) practices; that it effect no favoritism among, Sects and that it work deterrence of no-belief religions." Throughout the case, Neutrality confines government and forbids Secularism by "making laws". The obvious error of Separation is revealed as totally unrelated to General Christianity which "is and always has been a part of common law, deeply engrafted . . . in law, business, customs, and society".

Engle v. Vitale, U.S. 469 U.S. 11, 14n, (1962) distinguishes that the case related to "making laws" with attorney admission "to promote religion", without any compelling interest to justify. The footnote clarifies, "This case has nothing to do with official encouragement of love of country . . . and belief in God" (administrative prayers for moral order). "The Pledge of Allegiance . . . has nothing to do with establishment of religion. It relates to belief in God, in whom

we sincerely repose our trust. We know that America cannot be defended by guns, planes, and ships alone. Appropriations and expenditures for defense will be of value if the God under whom we live believes that we are in the right. We should at all times recognize God's province over the lives of our people and over this great Nation." 100 Cong. Rec. 7757. House Debate, Abington.

Roemer 74-730 U.S. 7, 1976 reasserted Court Neutrality as "Separation Never Intended".

Bakke, 76-811 U.S. 1976, "We do not cater to shifting political party whims of the times, for they are contrary to the stability of the Constitution".

State constitutions compel Godly living for the quality of life, public conscience for moral order, for liberties for all. Thus, again, Separation falsehoods are exposed.

Kevin Walder v. First Orthodox Presbyterian Church, San Fran. California State Supreme Court, 760-028, 9, (1980) "Freedom of religion is so fundamental to American history that it must be preserved even at the expense of other rights which have become institutionalized by the Democratic process."

Sydell Stone, 1980. "... The Ten Commandments ... and Bible can be in curriculum for ... ethics." ●

## PRESIDENT'S PROMISES OF ECONOMIC RECOVERY STILL NOT A REALITY IN FLINT

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. KILDEE. Mr. Speaker, I am angered and frustrated at the incredible insensitivity and the empty promises of President Reagan toward the millions of unemployed workers in America today. His veto threat caused the House and Senate conferees to drop desperately needed jobs programs from consideration this year, and that is a tragedy. I can well remember the President campaigning in my hometown of Flint, Mich., more than 2 years ago decrying the unemployment problem and blaming President Carter for a poorly performing economy. Now, after 2 years of this administration's policies, the economy is worse, unemployment is higher, and there is no end in sight because this administration apparently believes the crisis will go away by itself if we just wait longer.

We cannot afford to keep waiting for the President's promises to fulfill themselves. Action is needed. The President must come to realize that immediate relief is needed for those jobless who are suffering, a program is needed to put the people of Flint and the rest of the Nation back to work.

Many people in my district have been unemployed now for 2 to 3 years. Flint's unemployment is the highest in the Nation. The jobless benefits of many are exhausted, and they are finding it ever more difficult to qualify for public assistance under the tight-

ening program restrictions advocated by this administration. The callousness of the present policies and the havoc they are having on the victims of those policies, the poor and the jobless, are described in an article in today's Detroit Free Press. I would like to share that article with my colleagues. It is a revealing portrait of the difficulties facing the unemployed in Flint and in many other industrial cities across the Nation.

The article follows:

[From the Detroit Free Press]

### HARD TIMES IN FLINT—RECOVERY STILL JUST A PROMISE

(Republican Ronald Reagan brought his campaign Wednesday night to the city with the nation's highest unemployment rate and declared he is holding "the Carter administration flatly responsible for the dismal state of today's economy.")—From an Oct. 16, 1980, Free Press story about Reagan's campaign trip to Flint.

(By Helen Fogel)

FLINT—After eight months of layoff, Gerald Ballard was getting back to work at the Coldwater Road Fisher Body plant about the time Reagan hit town with his economic analysis and promise of better times to come if he were elected.

Ballard, now 27, a production worker with a wife, two sons and nearly five years' seniority, worked until October 1981. Then he was laid off again.

Now it's been more than a year since he worked the line. His unemployment pay is gone.

His welfare status is uncertain because he received some welfare payments while also collecting unemployment, and he's running a little thin on just about everything it takes to live, except hope.

Friday, he wondered whether Reagan was dissatisfied with the 300,000-vote margin by which he carried Michigan in 1980.

"Maybe he thinks not enough people voted for him. Maybe he's holding a grudge and he's overlooking us some," Ballard said. "It does seem to me some of the other states are doing all right."

During the campaign, Reagan, along with President Jimmy Carter and both vice-presidential candidates, made eloquent speeches here about the area's dismal economy. With more than 20 percent unemployment, Flint was the political symbol of the nation's economic woes.

Two years later, with the first rustles of the next presidential campaign already sounding in Washington, nothing much has changed economically to improve lives of those who live in Flint.

The latest Department of Labor Statistics issued last week confirm that the Flint area still leads the nation with nearly 21 percent unemployment.

People who live in Flint, including the four out of five who are still working, have paid a price for three years of depression, Mayor James Rutherford said last week.

For instance, Rutherford said, residents have had to decide which city services they value most and which should be curtailed as income tax receipts plummeted to pre-1979 levels.

Last winter, they gave up weekly trash collection. It's now picked up every other week. This winter, because city residents qualified for extra federal revenue sharing by voting to tax themselves more, the city

will be able to return to weekly trash pickups, Rutherford said.

But like other cities, Flint felt the loss of Comprehensive Employment and Training Act money sharply—with the end of the CETA program, Flint lost more than 300 municipal jobs, Rutherford said.

And the nearly 21 percent unemployment rate doesn't tell the whole story, Rutherford said. Among some groups, unemployment is much higher. For black people between 18 and 25, the rate exceeds 60 percent, Rutherford said.

Where the city has been able to add new jobs like the 350 at the newly built Hyatt Regency, pay scales tend to be lower, sometimes the minimum wage. This has lowered the median salary in this town which has long been accustomed to the auto workers' wage and benefit scale. Lower salaries mean smaller tax collections even when people are working.

Clyde Huddleston, 26 a road construction worker for the Genesee County Road Commission, has been laid off since February 1980.

"I'd worked ever since I was 14," he said last week. "I didn't know what layoff was."

Now he and his wife, Kathy, 25, who is laid off from General Motors Corp.'s AC Sparkplug Division, are facing a bleak benefit-less future.

Kathy was one of the GM workers eligible for an \$300 bonus check last week, but she said it would not buy their two daughters Christmas presents. The money was already promised to creditors.

General Motors with its 11 manufacturing and warehousing facilities is still the lifeblood of Flint.

On Friday alone, \$2.6 million in special \$300 payments to unemployed GM workers went out to about 8,800 Flint-area unemployed. Many of them, like Kathy, had the check spent before they received it.

Although business is bad, GM expects that figures will show workers at its Flint-area plants spent more than \$4 billion during 1982, a spokeswoman said.

With a 56,422-person work force in Flint—down from 76,933 in 1978—GM continues to sustain Flint.

But the figures tell the story. As of Dec. 13, there were 16,533 GM workers on indefinite layoff.

Some of them have been off since 1979. "Things are critical here and getting worse," said Jack Wagner, assistant UAW regional director.

"We have people who were laid off in the summer of 1979. Some of them are desperate," he said.

People are losing their homes. Some have resorted to suicide, Wagner said.

In a telephone interview, Wagner angrily charged that the president had defaulted on his 1980 promise to put people back to work.

"(Reagan) still doesn't understand that one out of every six people (in this country) is employed in the auto industry. I guess he still can't get that through his head," Wagner said.

It isn't that people in Flint are just sitting around waiting for jobs to come to them.

Huddleston has considered leaving Michigan and looking for work in the south or the west, but he worries about the uncertainty of moving from the area where both he and his wife have family and resources.

Both Clyde and Kathy Huddleston have applied repeatedly for other jobs—he as a janitor, she as a retail clerk. Both have experience in other jobs, but so far neither has been successful in finding work. Hud-



dieston confessed in embarrassment last week that he has been too proud to seek welfare benefits for himself although, except for odd jobs, he has been out of work for almost two years.

Former Fisher Body worker Ballard tries to fill his days with odd jobs for his family and neighbors. He has filled out applications for a job as a grounds keeper for various companies, but the longest job he's had since his last layoff lasted four days.

Like his southern rural forebears, Ballard hunts and fishes for food as much as sport.

The family will eat the deer he bagged during the firearms season, and he expects to get another when the bow hunting season begins. He fishes regularly.

And his family's freezers are full of vegetables he and his wife grew in a "good-size garden" last summer.

Whatever else happens, the family should be able to eat through the winter.

He expects to wait here until spring, Ballard said, hoping for a possible opening when more than 350 retirees leave Fisher Body in February.

But if he doesn't find work in the spring he'll head south searching for a lesser-paying job, perhaps in Alabama where he's heard the road commission is looking for workers.

Many unemployed workers in this hard-times union town are skeptical when Washington economists predict a recovery anytime soon.

"People around here have been told things are going to turn up many times," said Wagner. "They just don't believe anyone anymore." ●

#### STUDY MISSION TO THE MIDDLE EAST

**HON. LEE H. HAMILTON**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Sunday, December 19, 1982*

● **Mr. HAMILTON.** Mr. Speaker, I would like to bring to the attention of my colleagues an excellent summary written by our colleague, Congressman LARRY COUGHLIN of a study mission we both participated in to the Middle East in November 1982.

It is clear that the United States confronts both enormous challenges in the Middle East and also a unique opportunity in the months ahead to try to help move the Middle East peace process forward and help the parties negotiate an agreement for the removal of all foreign troops from Lebanon.

Congressman COUGHLIN's report summarizes well the issues we confront. The report follows:

#### CONGRESSMAN LARRY COUGHLIN'S REPORT ON MIDEAST MISSION, NOVEMBER 1982

On November 20th I returned from an almost two week mission to the Middle East to discuss the Middle East peace process, to examine negotiations aimed at solving the Lebanese crisis and to indicate to foreign leaders substantial bipartisan support in Congress for the Reagan initiatives in that area.

The operative countries visited were Israel, Egypt, Jordan, Saudia Arabia, Syria and Lebanon. We met with Prime Minister Begin, President Mubarak, King Hussein,

King Fahd, President Assad and President Gemayyel. In almost every country we also met separately with the Foreign Minister and Defense Minister as well as other leaders. In Israel and Lebanon, we met with the opposition leadership and Palestinians.

The mission had the approval and support of Secretary of State Shultz. It was the first official Congressional mission to the Middle East since the Lebanese crisis and was led by Congressman Lee Hamilton, D-Ind, Chairman of the House Foreign Affairs Subcommittee on Europe and the Middle East.

I returned optimistic about prospects for removal of American and other foreign troops from Lebanon in a way that substantially meets Israel's security requirements, and that this can take place in a relatively short period of time. The ingredients are there.

Israel is anxious to withdraw having accomplished its initial objectives. Contrary to the belief of some Arab leaders, there is no evidence of Israeli expansionist desires in Lebanon. The Syrians are anxious to have Israel withdrawn because Israeli troops in the Shouf Mountains are almost within artillery range of Damascus.

The price of Israeli withdrawal is Syrian withdrawal. Without the support of Syrian troops and heavy weapons, the 3,000 to 4,000 lightly armed PLO in Northern Lebanon are not a significant force and are likely to leave or can be coped with by Lebanon's army. The government of President Amin Gemayyel is working hard at building that army and at national reconciliation. It has the support of both Muslim and Christian factions.

Parenthetically, I might say that I am convinced that the Judicial Investigating Commission in Israel is doing a thorough, painstaking and fair job of investigating the massacres at Sabra and Shatila. There is no evidence of either a whitewash or a witch hunt. In the words of opposition leader, Shimon Peres, "the Commission is superb."

Permanent settlement of the Palestinian problem along the lines proposed by President Reagan is more difficult because the complexities are immense. On the Israeli side, the Begin government has rejected the Reagan initiative because Begin appears determined to retain some form of sovereignty or control over all of the West Bank and Gaza. The Israeli people are deeply divided over this and the settlement issue.

It is a paradox that some temporary freeze in the settlements is a key ingredient to commencing negotiations. At the same time, it is the threat of more and more settlements that is the impetus to bring the Arabs to the bargaining table.

On the Arab side, there appears to be an unprecedented desire for peace with Israel in the moderate Arab world. There is a window of opportunity. King Hussein is very anxious to negotiate but does not have the strength to do so alone. Other moderate Arab States are urging the PLO to move toward recognition of Israel and formal support of United Nations Resolution 242 so as to work with Hussein. There is a question, however, as to whether Syria can block this because of Syria's own territorial interests in the Golan Heights and support by the Soviet Union.

Let me first go into detail on the situation in Lebanon. Not since I visited Hamburg, Germany, as a student after World War II have I seen destruction as in West Beirut. Particularly in PLO controlled areas along the so called green-line, every building is damaged, every fourth building is down.

The damage is indiscriminate as to apartments, businesses or Mosques. It is important, however, to note that much of the damage was not a result of Israeli action, but the result of the civil or regional war that has been going on in West Beirut since 1976.

There are still isolated incidents of violence around the airport where we landed. In the Shouf Mountains, controlled by the Israelis, there is still fighting between the Maronite and Druze factions. The situation in the Bekaa Valley is exacerbated by the presence of Shiite Muslim revolutionary guards from Iran.

At the same time, there is a certain sense of euphoria among the Lebanese people at the prospect of having their country back again, free of PLO, Syrians and internal strife. Street vendors sell shoes and flowers among the rubble. Traffic jams the streets. Although utilities are uncertain, there is enormous vitality and little sense of crushing poverty. Our Marines are very much in evidence and morale is high.

President Gemayyel and Foreign Minister Elie Salim, both of the Christian faction, recognize that only Israel could have gotten the PLO out of Beirut. They are determined to move quickly to establish authority. At least as of now, they have an almost unanimous mandate from Christians, Muslims and Druze.

They believe they can increase the Lebanese army from 4,000 to 25,000 men quickly—more quickly than our observers feel is possible. They are prepared to have a safe border with Israel and to give all non-aggressive assurances, yet they believe they cannot recognize Israel formally at this time and survive because of their own Arab population and the need for cooperation of other moderate Arab countries.

Gemayyel and Salim indicated they have the promise of Assad to withdraw Syrian forces. Internally, they are moving toward national reconciliation but are not yet strong enough to disband the Phalange or other private Christian militias, to say nothing of holding an impartial investigation of the massacres at Sabra and Shatila.

Lebanon's Prime Minister al-Wazzan, a Muslim, was less sanguine about Israel. He expressed resentment over the destruction and envisioned an expansionist Israeli hegemony from the Euphrates to the Nile. He also saw Israel as attempting to partition Lebanon among the various religious interests. At the same time al-Wazzan recognized that withdrawal of foreign forces had to be simultaneous and the President Gemayyel had been unanimously elected to seek national reconciliation.

Walid Jumblatt, leader of the Druze faction in Lebanon, also expressed his belief that reconciliation was possible under President Gemayyel. He believed, however, that things were not moving fast enough to eliminate the Phalange and to extend Lebanese authority outside of Beirut.

Despite differences in detail, such as whether negotiations would occur in Jerusalem, the basic framework for a settlement could involve the following:

1. Simultaneous withdrawal of all foreign forces from Lebanon.
2. A security zone in Southern Lebanon which would be demilitarized as to heavy equipment and patrolled by a multi-national force until the Lebanese Army reached strength.
3. Multi-national control of the Bekaa Valley and the Beirut to Damascus highway until the Lebanese Army reached strength.

Lebanon, after all, existed for many years as an independent nation with democratic institutions that coped successfully with its various minorities. It should be able to do so again.

Turning to Israel, as on my previous visits, it was a warm, lovely, challenging country. Through my daughter, who worked on a kibbutz there, through my wife who spent time at Kibbutz Nezer Serini, as well as through my own experience, I share an immense affection and admiration for the Israeli people. Tough and hard working, yet loving, they have made the desert bloom both physically and culturally.

Today, however, they are intellectually a very disturbed and divided people. The debate is both between Israelis and within each Israeli.

On one side Prime Minister Begin cited the inalienable right of the Jewish people to settle in Judea and Samaria which, he said, were erroneously called the West Bank. He said Judea and Samaria were an integral part of Israel's national security for protection from incursions. Questioned on settlements Begin said: "We only settle on rocky lands."

I asked the question: "Granted Israel has the military and political power to assimilate the West Bank, is it in Israel's interest from a security, moral and cultural standpoint? Begin's answer: "We can live together in peace."

Foreign Minister Shamir confirmed that Israel could not relinquish control of the West Bank with its 1.2 million Arabs for security reasons. Defense Minister Sharon said the same. At a round table discussion at Hebrew University Professor Reuven Yaron said a truncated Western Palestine would not work, and it would not produce security.

On the other side Shimon Peres, opposition Labor chairman, said it would be a tragic mistake to incorporate inside Israel 1.2 million Arabs against their will.

Meron Benvenisti, former deputy Mayor of Jerusalem with a doctorate from Harvard, said in a late night meeting at his home, that a dual system would be disastrous for both societies and lead to a polarized society.

Benvenisti's controversial recent study indicated that one-third of the West Bank has already been taken by Israel and that two-thirds could be taken under existing procedures because it is not subject to formal Arab land deeds. The "rocky lands" Prime Minister Begin refers to are principally untitled Arab shepherd grazing lands. Benvenisti points out that 75 Israeli settlements exist on these lands, 25 are under construction and 55 are planned.

At the current rates of 3,000 to 4,000 units per year, Benvenisti estimates that the critical mass of 100,000 settlers, that would make the process of annexation irreversible, would be reached by 1986. We visited many of these settlements around Jerusalem, and I might say they are indeed completely planned small cities.

Professor Dalia Golan at Hebrew University indicated the settlements policy was radicalizing the position of the Arabs. Jerusalem Mayor Teddy Kollek objected to the settlements because they created a drain of young people from Jerusalem. He suggested that they were not being successful despite heavy subsidies on rents and mortgages to encourage people to move.

Our meeting with West Bank Palestinians, Bethlehem Mayor Freij, former Gaza Mayor Shawa and Arab educator Masri indicated an almost frantic concern about the

settlement problem, as well as the so-called loyalty oath being required of Arab educators. In addition they spoke confidentially about the PLO making some major conciliatory statement in the near future.

Despite this internal questioning, Prime Minister Begin is still popular, and Israel is in a state of suspended animation awaiting the decision of the Judicial Commission.

Turning to the Arab world, I have mentioned that there appears to be an unprecedented desire for peace and a solution to the Palestinian problem. The Reagan initiative is welcomed cautiously. As King Hussein said: "It is indeed five minutes to midnight."

In Egypt, President Mubarak took pride in the fact that Egypt had started the peace process and said they would not deviate from it. He indicated he was calling on all Arabs to seek a peaceful solution. Mubarak said he had to take some action in response to the Israeli operation in Lebanon but did the minimum. With respect to Sabra and Shatila, he said it was nothing compared to what the Syrians had done over the years.

Significantly, Minister of Defense Abu Ghazala said Egypt regarded as its major threats: First, the Soviet Union and its surrogates in Libya, Ethiopia, South Yemen and Syria, and Second, terrorist activity, particularly if the Palestinian problem is not resolved. When questioned about any threat from Israel, Abu Ghazala responded that Israel was no threat—that peace was a permanent thing.

Meetings with Egypt's Prime Minister Fuad Moeleddin and Minister of Economy Mostafa El Said confirmed these attitudes. It is significant that Egypt receives 10 percent of its total budget from United States aid yet remains a dusty, over-populated, traffic jammed, poverty stricken but exciting country.

In Jordan, King Hussein, as I have said, is very anxious to proceed with the Reagan initiative. The concept of two states, he says, was part of the original partition plan. He indicated that the Arab side was not negative, but that we must move quickly as conditions are changing and this might be a last chance.

Hussein feels bound, however, by the Rabat Conference declaration that the PLO is the sole representative of the Palestinian people and seeks to remove obstacles from PLO control. His concern is that Syria may be negative to any solution and prefer to let the problem continue.

Jordan's Crown Prince Hassan echoed these sentiments. Commander in Chief of the Jordan Armed Forces General Bin Shakir indicated as threats: First, Israel which viewed Jordan as home of the PLO and Second, Syria. He perceived, however, no immediate threat from Israel. In common with other Arabs, Bin Shakir resented Israel Defense Minister Sharon's statement that it made no difference is the PLO ruled Jordan with its implication that West Bank Palestinians should be sent to Jordan.

Jordan appears clean, prosperous and safe. It received subsidies of approximately \$1.2 billion a year from other Arab countries as well as remittances of about \$1.5 billion a year from Jordanians working in other Arab countries. It was here, too, that we first began to learn of the overwhelming concern about the Iran-Iraq war and Iran's attempt to export Shi'ite Islamic fundamentalism.

In Saudi Arabia, King Fahd indicated his pleasure over the President's plan. He said the most important thing was peace and jus-

tice—that the Saudis did not expect 100 percent. With respect to existence of the State of Israel the King said: "It exists."

Minister of Foreign Affairs, Prince Saud, said his country was active in pursuing peace. He saw the major threats as the Soviet Union and Islamic fundamentalism. He sought rapprochement with Egypt and felt the United States should help Israel but guarantee the security of the Arab world.

The Iran-Iraq war and the associated issue of Islamic fundamentalism is predominant among Saudi concerns. Perhaps because of its leadership's concern to stay on the right side of the clergy and avoid an Islamic fundamentalist clash, Saudi Arabia is the most conservative country I have ever visited. This is particularly in its attitude towards women. Black veils are still prevalent. American women must wear long dresses and sleeves. Women cannot drive, jog or swim.

In Saudi Arabia, there are no alcoholic beverages, theatres or night clubs. The only pastime is driving your car. A gallon of gasoline, however, is cheaper than a gallon of pure water.

In Syria, we received a lecture from President Assad on our support for Israel. He indicated the 1967 boundaries were not the subject for bargaining, probably because of Syria's territorial interest.

Assad repeatedly emphasized the difficulty of attempting peace between unequal powers, stating that peace would probably come when there were more equal powers. In the end, however, he indicated with regard to Lebanon that Syrian forces would be withdrawn when the Israeli occupation was removed. Assad also said that Syria wanted peace and that it was within Israel's power to obtain peace, implicitly recognizing Israel.

Contrary to warnings that Syria was a dangerous and unfriendly place, we felt safe and that the Syrian people were friendly to the Americans. Outside of refugee camps, it appears to be a prosperous country.

Repeatedly throughout the mission we urged Arab leaders to seek to deal with realities as they have unfolded and to forget recriminations. When it was suggested that we exercise our leverage or cut off aid, we indicated we have leverage on and aid to almost all sides which we would hesitate to use as a tool. We emphasized that the momentum of the peace process should be the pressure and that a solution imposed by aid cut offs or other U.S. leverage would not work.

There is, unfortunately, no agreement about who can do what to unlock the present impasse in efforts to promote the peace process. You hear a lot of theories:

Jordan is the key and we have to persuade the King to join the peace process; but Jordan cannot go it alone.

Israel can break the logjam if only it will freeze settlements; but the settlements are producing the impetus to bargain.

Saudi Arabia is the key because it provides the funds which enable Syria and the PLO to pursue their policies; but the wealthy Saudis see the first move as U.S. pressure on Israel.

Syria can frustrate any move in the peace process and therefore has to be neutralized or isolated; but how?

The PLO could unlock the present situation if only if it would meet U.S. conditions for a dialogue; but the PLO does not know what Israeli reaction would be.

There is probably some truth in each of these theories and it may take movement on all these fronts to put the process together.



Clearly, as of now, the United States is the leader.●

## ON WAR

### HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. HYDE. Mr. Speaker, the subject of war—especially the most difficult questions of the morality of nuclear weapons—is receiving a great deal of attention these days.

Among the churchmen writing on this issue, none is more informed nor more thoughtful than Father James V. Schall, S.J., of Georgetown University. Father Schall quotes then-President Jimmy Carter on this subject in an article published October 23, 1980, in the San Francisco Monitor, which provides another perspective on this dilemma. I trust my colleagues will read this article carefully.

[From the Monitor, Oct. 23, 1980]

## ON WAR

(By Father James V. Schall, S.J.)

When I saw my sister, Norma Jeanne, last month in Fort Dodge, she asked me, curiously, "Why do you never write anything about the problem of war, which everyone seems to be talking about?"

Well, of all people, my sister knows she cannot ask her brother a question like that without getting an answer, though, as all the world knows, sisters are happily immune from their brother's musings, even when they bring up the subject in the first place.

Anyhow, she asked for it, besides I just saw "The Big Red One" here in Washington with Father John Connery, while The Economist (August 16) had a good discussion on the subject, as did President Carter himself at a Press Conference. (September 18, 1980)

"The Big Red One" is a particularly good place to begin—a sort of anti-anti-war movie for a change.

It was a good statement of the classic just war practice—namely, that some wars have to be fought, that within any war, men die, but there remain within battles moral rules ever operative, even midst the killing, which is not murder.

The soldier cannot be naive about what is at stake for people if the war is lost, as the soldiers in "The Big Red One" who broke into the Nazi Concentration Camp in Czechoslovakia vividly realized.

But what about nuclear war? Isn't that a special case? No doubt, this has been an area in which contemporary religious thinking has been particularly obscure and even dangerous.

My colleague, Professor William O'Brien, one of the very few men in this country who has really thought deeply on this subject, feels that we need, particularly the bishops, a more realistic commission to deal with this topic.

We are so used to hearing from religious spokesmen that nuclear war is "immoral," that we have left our politicians with no practical guidance. Indeed, I think we leave them with the feeling that religion is positively against them in what they must do.

Politicians, some of them at least, and soldiers often recognize what is at stake, not

## EXTENSIONS OF REMARKS

merely if the bombs are dropped, but if they are not. The politician must know the political consequences of not fighting, of losing.

The recent Directive #59 about flexible retaliation against Soviet missiles gave The Economist occasion to write:

"The whole subject of preventing nuclear war combines the obscurity of higher mathematics with the ugliness of horror fiction. This leads many people to say that the best way of avoiding the unthinkable is not to think about it.

"They are wrong. It is the unthinkable we must think about, and then act intelligently on the thinking."

And at his Press Conference, President Carter was asked precisely how he thought about this subject—what if the Soviets did first strike and kill 20-50 million people, what would he do?

Mr. Carter said—as any president would: "It's crucial for our potential adversaries to know that if necessary atomic weapons would be used to defend our nation . . . I cannot tell you what would happen if an exchange should take place.

"I would try to defend my nation's security and its integrity, and the integrity and security of allies without resort to atomic weapons. But if necessary to defend the freedom and security of western Europe and this country, then I would use atomic weapons.

"I pray to God that that time will never come, but it's important for our people, our allies and the Soviet Union to know that, if necessary, those weapons would be used." (New York Times, September 19, 1980).

This is a very clear, measured statement, designed to make sure such weapons be not used by forcefully spelling out to the Soviets that they cannot think of using their first or second strike forces and hope to survive.

Churchmen often feel they must, no doubt, call a pox on both of your houses, though they must be quite careful of seeming irrelevant here. Often too, it is said that if we just stop the arms race, we can solve man's problems.

Yet, if there is any arms "race" in the world, the West seems bent on losing it. Mr. Carter's strong words may have been made necessary by his own appearance of weakness and by his belated recognition that we are in fact becoming relatively weaker, which in turn may well increase the danger.

Solzhenitsyn, in fact, thinks the West is becoming so progressively weaker that when the Soviet missile superiority reaches about 5-1, they will simply demand and probably get surrender, so that World War III is already lost.

Thus, it is not at all clear that a lessening in nuclear power or the will to use it would be a step in the direction of peace, granted the operative Soviet ideology.

But churchmen are not politicians responsible for public safety. There has been a relative silence in church writings about the politician's responsibility.

At times, it even seems that everything about nuclear weapons, from thinking about them to using them, is wrong.

At a recent Press Conference in Rome, it was asked if the Holy Father's remarks on peace meant that there was no legitimate use of force.

These reflections seem pertinent:

"If the Pope thought that he would want to condemn any recourse to armed force for the future—which was not done by any of his predecessors nor by the Council which maintained, despite certain pressures, the

principle of legitimacy of armed defense against aggression—he would surely not do this 'as an aside' or 'ex obliquo' under the pain of being misunderstood.

"\* \* \* In the present climate, to call attention to the fact, even in passing attention to the fact, even in passing with all the necessary nuances, that a certain kind of deployment of armed force and therefore a certain kind of armament can possibly be justified in the life of a nation or in the international sphere is to expose oneself at one blow to being misunderstood \* \* \*."

"The Pope need not speak out on everything that happens."

In other words, politicians must judge. They are not going to find, for the most part, a clear advice from religion, especially in an area wherein religion itself admits proper political responsibility to the politician.

This does not mean that there is not any religious principle involved. In the context, the President said, "I will use atomic weapons if necessary." It is difficult to say that this is not a responsible and moral position.

I wonder if my sister will ask me any more questions.●

## CONGRATULATIONS TO THE BANK OF GUAM ON ITS 10TH ANNIVERSARY

### HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. WON PAT. Mr. Speaker, this month marks the 10th anniversary of the Bank of Guam. The bank opened its doors to the public on December 11, 1972. The history of this business is nothing short of remarkable and today I want to offer my colleagues some insight into how two men began a bank which 10 years later has assets of over \$120 million and branches which are spreading and helping fill the needs throughout Micronesia.

The Bank of Guam is a direct reflection of the drive, energy, and professionalism of its two cofounders, Jesus S. Leon Guerrero, president, and Jose L. G. Untalan, vice president, of the bank. These two men devoted their working lives to the banking industry and they are tried and proven leaders in every sense of the word. Ten years ago, they combined their remarkable talents into a team which would bring to Guam its first bank ever chartered in the territory. While we on Guam have long enjoyed the services of banks from California, New York, and Hawaii, it is always nice to know that the bank you do business with is of the homegrown variety, staffed by people who know and care about the community they serve. This is certainly the case with my good friends Messrs. Jess Leon Guerrero and Joe Untalan. They were born and raised on Guam, and know our island and its financial needs as well as anyone in the banking business.

The Pacific Daily News recently did an excellent special feature marking the 10th anniversary of the Bank of Guam and I would like to place in the RECORD today parts of that feature story. I am deeply proud of the Bank of Guam and want my colleagues here today to see that we on Guam are working hard to develop our own institutions that reflect our needs and our way of life.

At this time I insert the following articles in the RECORD:

#### TEN YEARS OF SERVICE—BANK STILL GROWING

(By Lorie Eichner)

"We weren't thinking of anything this large. We were thinking of a modest sized bank with about \$25 to \$30 million in assets," said Jesus S. Leon Guerrero, president of the Bank of Guam.

Leon Guerrero was speaking of what he and co-founder Jose L. G. Untalan had in mind when they chartered the bank a decade ago.

Today, as the founders and employees of the bank celebrate their tenth anniversary they can boast of assets in excess of \$120 million.

"I guess it just grew and we had underestimated its potential," Leon Guerrero added.

Leon Guerrero said that such tremendous growth has been due to the support of the people on Guam. "There has never been a public corporation in this community with as many shareholders as the Bank of Guam," he said. "It demonstrates the faith they have in our island and our country."

Leon Guerrero and Untalan initially raised \$1.5 million in subscriptions from a total of 900 shareholders who are both citizens of the United States and residents of Guam to start the bank. By 1974 assets had climbed to \$30 million. Over 1600 persons are now shareholders in the bank.

Additionally, 30,000 shares are now being offered to Trust Territory citizens residing in the Marshall Islands, the Federated States of Micronesia and the Commonwealth of the Northern Marianas to enable those people to own a share of the bank which has been serving their islands for two years.

"What we had in mind when we established this institution was to have a bank that would help the people of Guam," Leon Guerrero said. "There had never been a bank chartered on Guam. We wanted to do something to establish pride and identity in the community and this was a way to do it."

Both Leon Guerrero and Untalan brought with them years of banking experience with the Bank of America when they established their own bank.

"We knew we could give service to the community. Because of our reputation in the banking community and because we were experienced and knew banking people had faith in us," Leon Guerrero said.

"We did the right thing for the people at the right time," he laughed.

He said that because the administrators of the bank are headquartered on Guam service at the bank can be quick and flexible. "We have the ability to make decisions locally. We don't have to check with headquarters somewhere else. We can personalize our service," he said.

Untalan, vice-chairman of the board of directors and executive vice-president/cashier, added that it is important to know the community one serves. "We know our custom-

ers. We're part of the community because we were born and raised here," he said.

The bank has grown in other ways as well. From an initial staff of 13 the number of employees has grown to over 200. And from its humble beginnings in a quonset hut the facilities have now grown to include six locations in Guam, Saipan, Truk and Majuro. The Federal Deposit Insurance Corporation recently approved the opening of a branch in Ebeye in the Marshalls.

When the Bank of Guam acquired branches on Truk, Majuro and Saipan from the Bank of America in November 1980 it marked the bank's entry into international banking circles. "Banking is a business that can grow anywhere in the world if you can provide the service and have the right people to manage it," Leon Guerrero said.

He said there are other plans for expansion on the drawing boards.

The Bank of Guam has also filed an application with the Federal Deposit Insurance Corporation for a permit to establish a branch in San Francisco, California.

"The future for our bank is very bright. It's going to grow. There's no question in our minds about that," Leon Guerrero said.

Leon Guerrero said that Guam is already the financial center of the western Pacific and that the only thing holding back further growth are U.S. federal government restrictions.

He said that once the Bank of Guam has the trained people and the necessary capital it, too, will enter the world of international banking to a greater extent. "But first we have to take care of our home base," he said.

The men said that the average age of their staff is 30 and that among their employees are a number of good, well educated officers that are being trained to take up managerial positions. An officer training program provides a means for improvement and the salary to go with it. Many other incentives and benefits are also provided employees.

"We are developing our staff so we can have a core of capable people to run our branches as we expand," Untalan explained. "You can not grow without a good staff."

#### CO-FOUNDERS PROVIDE LEADERSHIP

Jesus S. Leon Guerrero is the chairman of the board of directors and president of the Bank of Guam.

Leon Guerrero began his banking career in 1947 when he was still in high school as a part-time bookkeeper at the Bank of Guam (Navy). Upon graduation he assumed a full-time position with the bank.

In 1950 the Bank of Guam America purchased the Bank (Navy) and Leon Guerrero remained in their employ, eventually working his way up to assistant vice-president in the Guam-Trust Territory regional office and manager of all seven branches of the bank in Guam and the Trust Territory. As part of his training the Bank of America sent him to their headquarters for six months. He has also taken other banking courses to increase his knowledge.

He resigned in 1972 to organize the Bank of Guam with his co-founder, Jose L. G. Leon Guerrero.

Leon Guerrero has always been very active in civic and community affairs. He is a former chairman of the Guam Economic Authority and the Guam Economic Incentive Commission. In 1964 Governor Manuel Guerrero appointed him as delegate member of an economic goodwill commission to Taiwan.

He is a former president of the Medical Center of the Marianas and has participated

in Red Cross fund drives. He is a former treasurer of the Guam Rotary Club and a former director of the Guam Chamber of Commerce. Additionally, he has served on various church and school committees and is presently a member of the Air Force Civilian Advisory Council and the Guam Chamber of Commerce.

Jose L. G. Untalan is vice-chairman of the board of directors and the executive vice-president/cashier of the Bank of Guam.

Untalan began working for the Bank of Guam (Navy) April 1941 and was transferred to the Bank of America when it purchased the Bank of Guam (Navy) in 1950.

He started as a teller/bookkeeper and worked his way up to the position of auditor while with the Bank of Guam (Navy).

He began as an assistant cashier with the Bank of America and rose to the position of assistant vice-president, senior public relations and business development officer. He opened the three branches in Tamuning, Guam, Majuro and Truk for the Bank of America and was in charge of operations of all branches in Guam and the Trust Territory.

During his employment with the Bank of America he attended various training programs, classes and seminars relating to the banking field. He resigned in 1972 to become a cofounder of the Bank of Guam with Jesus S. Leon Guerrero.

Untalan has been a chairman of the Guam Bankers Association, a member of the Selective Service system and the Guam Housing and Urban Renewal Association. He has also served the American Red Cross, the Guam Tuberculosis and Health Association and on various school and church committees.

He is also a former member of the Governor's Commission for the Aging, the Pre-Organic Act bi-cameral Legislature and the Government of Guam Retirement Board.

Presently he is a member of the Board of Commissioners of the Guam Housing and Urban Renewal Authority and the Guam Chamber of Commerce.

#### BOARD OF DIRECTORS ESTABLISHES POLICY

Pedro P. Ada is president of Nanbo Ada's Trust and Investment, Inc. and President of Ada's Inc. He is also chairman of Nanbo Insurance Underwriter's Ltd.

He was formerly the Chairman of the Board of Regents of the University of Guam and is presently a director of Capital Investment of Hawaii.

He attended St. Thomas Military Academy High School and pursued his B.A. degree at the College of St. Thomas.

Felino B. Amistad is the treasurer and chairman of the audit committee of the Bank of Guam.

He attended Far Eastern University, Manila, and majored in accounting. He took advanced accounting courses from La Salle University, extension division, as well as a course in administration from the U.S. Armed Forces Administrative School.

From 1945 to 1946 he was the paymaster and chief payroll clerk for military and civilians at CONCOR, AFWESPAC, Manila. He was a cost accountant in 1948 for Pollock Stockton Shipbuilding Co., Samar, Marianas Bonins Command in 1949, and the fiscal accountant in 1950 for Bureau of Yards and Docks, Navy auditing office, Guam.

From 1951 to 1964 he was the advertising manager for the Guam Daily News. He is now the owner and manager of Metropolitan Press.



Amistad is a member of the Knights of Columbus, International Toastmasters Club, the Muscular Dystrophy Association of America, the Filipino Community of Guam and Treasurer of the American Lung Association of Guam.

John L. Kerr is the secretary and a director of the Bank of Guam. He attended the Massachusetts Institute of Technology, Cambridge, Massachusetts and holds a BSIE from Northwestern University, Boston, Massachusetts. He is a registered professional engineer.

He was in the U.S. Army during the Korean War and spent twelve years with Standard Oil Company in New Jersey.

Kerr is the president of Guam Dry Cleaners, International Linen Supply and Guam Fast Food, Inc.

He is a former director of the Guam Chamber of Commerce and the Guam Visitor's Bureau. He was also the Chairman of the Board of Directors of the Guam Power Authority.

Francisco Leon Guerrero began his career in the Apprentice Training School, Navy Public Works Machine Shop, Piti Navy Yard, Guam.

He attended the School of Medical Practitioners, Naval Medical Center, Guam and was a medical intern at the Guam Memorial Hospital from 1949 to 1950. Later he transferred to the Department of Public Health Sanitarian section in 1950. He continued his public health career by attending several schools and training programs and is presently with the NINCDS Research Center, Guam. In 1950 he was in charge of the Rota General Hospital.

Leon Guerrero is a registered sanitarian with the National Association of Sanitarians.

He is a past president of the Guam Tuberculosis Association and the San Vicente PTA.

Dr. Ralph G. Sablan is a certified dermatologist and retired Captain in the U.S. Navy medical corps. He is a Diplomat of the American Board of Dermatology, a Fellow of the American Academy of Dermatology, member of the Association of Military Dermatologists, International Society of Tropical Dermatology and the American Medical Association.

He attended Father Duenas Memorial High School and graduated from Woodrow Wilson High School in Long Beach, California. He attended the University of California in Los Angeles and graduated from the Oklahoma School of Medicine in 1959 with an M.D. degree. He served his internship in the U.S. Naval Hospital, Camp Pendleton, California and the University of Southern California in Los Angeles.

Joe T. San Agustin obtained a B.A. degree in Government and M.A. in Public Administration from George Washington University in Washington, D.C.

He is the chairman of the board of directors of the Guam Greyhound, Inc., Guam Concessions, Inc. and the Guam Aqua Research, Inc. He is a former president of the Guam Finance and Investment Corporation, a former member of the Government of Guam Federal Credit Union board of directors and a former director of Bureau of Management Office, Government of Guam. He is also a former management analyst for the U.S. Naval Supply Depot.

He is a senator in the 16th Guam Legislature and was re-elected to serve in the 17th Guam Legislature.

Frank F. Taitano is a successful businessman and has been a farmer all his life.

During the 1940s he worked for the American Red Cross and the U.S. Post Office.

Dr. Luis G. Camacho graduated from George Washington High School after which he matriculated in the school of liberal arts at Tampa University in Tampa, Florida. After a year there he transferred to Marquette University in Milwaukee, Wisconsin and graduated with a B.S. degree in 1953.

He studies dentistry at Marquette University of Dentistry where the degree of Doctor of Dental Surgery was conferred upon him in 1957.

After receiving his degree he returned to Guam and was in private practice for seven years. In 1964 he enrolled in the Graduate School, Department of Orthodontics, at St. Louis University where the M.S. in Dentistry was conferred upon him in 1967.

He is president of Dr. Luis G. Camacho, D.D.S. M.S., Inc., a director of Pacific International Corporation, vice-president of Pacific Financial Corporation and president of Camacho Inc.

Dr. Camacho is a member on the Commission of Licensure, American Dental Association, American Association of Orthodontists and a life member of the Delta Sigma Delta dental fraternity.

Dr. Raymond Chan holds a Ph. D. from Harvard University and received an Honorary Doctorate from the China Academy. He has been a full professor and the chairman of the Political Science department at the University of Guam since 1966.

He is a member of Phi Delta Kappa and Chi Omicron Gamma honorary societies. He was the first president of the United Chinese Association of Guam and was a member of the Board of Governor's Committee on Problems of Aging. He was the chairman of the Seventh World Chinese Banking Amity Conference.

His biography has appeared in the Dictionary of International Biography, Outstanding Educators of America, American Men of Science, Men of Achievements and Marquis Who's Who in the West.

#### JOB LEADS TO CAREER

When Lolita H. Rosario first started working for the Bank of Guam when it opened its doors in December 1972 it was just a job for her. Now it is a career.

When she started out it was as a teller. Now she is the assistant vice-president/operations manager.

"When I first walked in it was just a job. I didn't want to stay home. I had tried that for a month and didn't like it," she said.

"After that I started to expose myself to the different departments and it just got more and more interesting. There has never been a dull moment."

Rosario knew the people she was going to work for because she had worked under Jesus Leon Guerrero and Jose Untalan at the Bank of America. She said she decided to change her place of employment because the Bank of Guam was something entirely new and presented a challenge.

It did not take her long to move up to the position of head teller and in 1975 she was given the task of supervising the food stamp operation phase of the bank's business. The next year saw her being promoted to pro-assistant cashier, a first level officer position.

Another step made her the assistant cashier and in July 1978 she was promoted to assistant manager/operations manager. The following year she got her present position.

"I guess it's my aggressive approach," she said of her success. "I think I've contributed. And I know what I want and I keep going for it."

As manager of operations she has officers under her in the new accounts, note, accounting and cash departments. They in turn oversee their subordinates. She also oversees the mobile and food stamp divisions.

"Each department has to function effectively," she explained. "I have to make certain every department is staffed with qualified employees and make certain that they get their jobs done and the customers are satisfied."

In addition to on-the-job training she has attended seminars and courses related to banking and reads a lot about the banking business. She also takes courses at the University of Guam, although she has found that she can not fit them in every semester due to the demands her job place on her. She will be enrolling again for the second semester of this school year.

When she is not working Rosario devotes her time to her sons. "Because I spend so much time at the bank, when I'm not working I try to spend time with my two boys—read with them and help them with their homework," she explained.

Rosario has come a long way in the past ten years but she is not satisfied to remain stagnant. The same drive that got her to where she is now is driving her on to aim for a higher position. "I'd like to make it to the administrative sector of this bank," she said.

#### RECONCILIATOR HANDLES ACCOUNTS

Remy Nicholas started with the Bank of Guam ten years ago as a general ledger bookkeeper. She said she went to work for the fledgling bank after having worked for the Bank of America under Jesus Leon Guerrero and Jose Untalan.

From that position she went to that of a utility clerk, which means that she was utilized wherever she was needed. "I became a troubleshooter," she said. She also worked in the audit department.

She interrupted her service with the bank in order to become a fulltime mother and a fulltime student, but after receiving a certificate of accounting at a local business college she returned to the Bank of Guam in an accounting position.

Her present position is that of reconciliator of Bank of Guam accounts with other banks. It includes keeping records, sending telexes and handling correspondence.

"It's a lot of responsibility," she stated.

"I've been with the bank for a long time now. I like the people here and I like the administration," she said.

As far as ambitions for the future, she said, she would like to be successful in her banking career.

Nicholas said she thought the bank has succeeded as well as it has because it is considerate of people and because a lot of businessmen support it.

Her community involvement includes being the secretary of the Guam Ritenans association, an organization made up of persons originating from Santa Rita, Pampanga, Philippines.●

## COMMENDING THE PHILADELPHIA NAVAL SHIPYARD

## HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. FOGLIETTA. Mr. Speaker, I would like to take a few moments today to recognize the superior job that has been done by the Philadelphia Naval Shipyard in reconditioning the aircraft carrier *Saratoga*.

Aircraft carriers are the heart of our Navy. American naval defense strategy centers on the carrier battle group. Our national security depends on the quality of maintenance and modernization done on these carriers during the service life extension program, or SLEP.

The U.S.S. *Saratoga* is undergoing the SLEP at the Philadelphia navy yard and will be rejoining the fleet shortly. The ship that sails from Philadelphia next month will be at the cutting edge of modern technology. It is the work that has been done by the men and women of the navy yard that puts her on that cutting edge.

Mr. Speaker, there is every possibility that the *Saratoga* will leave Philadelphia ahead of schedule. This is a remarkable achievement, and one deserving of our praise. At a time when delays are commonplace, the ability to get the job done on time, or ahead of time, should make us proud.

I offer my commendation to the people of the Philadelphia Naval Shipyard for their work on the U.S.S. *Saratoga*. It is a job well done. ●

## HIGH TECHNOLOGY INDUSTRIES—THE FUTURE

## HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mrs. HECKLER. Mr. Speaker, there are, of course, many things that have been going through my mind concerning my retirement from the House after 16 years of service. Too many to elaborate on, naturally; but there is one subject I feel strong enough about to comment on today. The high technology industry, including everything from electronics to medicine, is quickly becoming the most important social and economic force in America. Having worked closely with the industry and the Science and Technology Committee, I wanted to share some thoughts on the industry with my colleagues.

"High technology." The name itself is awe inspiring. One can picture the newest apparatus, neatly placed on a polished stainless steel pedestal—too "high," ironically, for most Americans

to understand, let alone operate. But high tech is more than complexity and state-of-the-art hardware.

The latest definition, from an article in *Industrial Economics Review*, states that high technology firms are those with above average concentrations of scientific and engineering talent and that exhibit uncommonly high rates of technological change in terms of product and production process innovation. Even with this definition, the lines are not clearly drawn.

Whatever the definition we know that the future, both in terms of how and how well we live, lies within the effective utilization of technology. Be it a product or a process, the Nation's ability to embrace technology and make it work for the national good is the keystone to America's future.

These truly are the industries of the future. Here is where we enjoy a substantial trade surplus—shaving \$7 billion off a \$35 billion deficit in 1981. Here is where eight jobs are created to support every one job found in high technology. Here is where the investment in R&D is increasing, despite the recession. Here is where 5 of the top 12 fastest job titles can be found according to the Department of Labor. Here are the industries the *Wall Street Journal* predicts will be second only to petroleum by the year 2000. It could, in fact, happen well before then.

For two decades, analysts have predicted a new industrial revolution based on the processing of information. Although the computer has been the symbol of this transformation, the semiconductor has in great measure been responsible for it. Advances in semiconductor technology have helped create markets in data processing, automated production, and robotics; and it has fundamentally altered instrumentation, communications, consumer goods, transportation, and military systems. The semiconductor industry is understandably vital to the future growth of high technology firms. From this day forward, the economic strength of advanced industrial—and some developing—economies will rest in part on their capacity to develop and apply technology to product design and production processes.

A strong, high technology industry is, simply stated, a strong America. A prosperous high technology industry is a prosperous America—a country with an increasing standard of living, high employment—high tech is labor intensive—and secure borders.

The prosperity of the industry will depend on the dynamic relationship of private sector industrial policy, the world marketplace, national education and retraining capabilities, and government policy. Effective policies in one area can be adversely affected by poor policies in another. Naturally the world marketplace will continue to op-

erate with a certain autonomy. Nevertheless, coordinated efforts within, and in some cases among, all levels of government and the private sector will assure America's preeminent position in world markets.

## INDUSTRIAL POLICY—PRIVATE SECTOR RESPONSIBILITIES

The strength of the strongest tree begins with the roots, and herein is why the industrial policies of the private sector are so important to its own continued growth.

There is a great deal the private sector can do to improve its own operating environment. Lower rates of innovation and productivity are not the sole province of government regulation, although bad and too numerous regulations can claim much of the credit. At least part of the problem rests on a less efficient utilization of capacity and management attitudes and behavior, among others.

One of the most important factors in any industrial policy is a long-term commitment to R&D. We have already witnessed a shrinking of the "technology gap" between the United States and our trading partners. A strong R&D effort is critical to insure continued innovation and product development.

A long-term perspective with respect to markets and profits is also necessary. Shortsighted, quick profit schemes leave American products wide open for erosion by the more market-share oriented Japanese.

Basic science is fundamentally a Federal responsibility, and my familiarity with the work of the National Science Foundation as the ranking Republican on the Science, Research and Technology Subcommittee has shown me how effective federally sponsored basic research can be. It is also true however, that the interface of Federal basic research with private sector commercialization is extremely poor. A wealth of completed and ongoing research is available to the private sector; the willingness of industry to access this data and Federal efforts to make it more accessible leave much to be desired.

One last point. There is an enormous amount of duplication in private sector basic research. This duplication of effort is a waste of valuable scientific talent and financial resources. Much needs to be done in this regard in the area of antitrust, which I will bring up later.

## THE WORLD MARKETPLACE—NEW GAME RULES

Nothing has changed more quickly than world markets; and nothing challenges our ability to respond quite so much. The fact is, the world marketplace has changed more quickly than either industry or the Federal Government have been able to acclimate to. Some industries, like high technology, have done fairly well. One of the best



ways to improve the current record would be to get the Federal Government as far out of the way as possible.

The new marketplace is a land marked by targeted industrial strategies, rapid product change, and increasingly scarce resources. The most damaging to American market position has been the targeted strategies of the Japanese in the electronics field. This is a serious threat demanding immediate attention, primarily from the Federal Government.

For over 25 years after its inception in the late 1940's the U.S. electronics industry enjoyed a position of unchallenged technological preeminence and international market dominance. In the mid-1970's however, that leadership was challenged for the first time by large multidivisional Japanese electronics firms. The share of the world market for integrated circuits held by U.S. firms declined between 1974 and 1978, while the Japanese share grew. As the U.S. International Trade Commission concluded, "much of the increase in Japanese market share was gained at the expense of U.S. producers."

These events signify much more than a loss of profits for U.S. firms in particular product categories in a single industry. They indicate the potential for an irreversible loss of world leadership by U.S. firms in the innovation and diffusion of semiconductor technology. Because the products of this industry are the crucial intermediate inputs to all final electronics systems, competition in the semiconductor industry will be at the center of competition in all industries which incorporate electronics in their products and production processes. The loss of leadership in this one industry would mean the loss of international competitiveness in many of the advanced technology sectors that have been the basis of a U.S. advantage since the Second World War.

Japanese entry into the U.S. market is part of a conscious national strategy of establishing comparative advantage of the knowledge-intensive and technology-intensive industries. State policies helped to protect, promote, rationalize the industry, and prevented U.S. firms from consolidating their position in the Japanese market. By bringing their high-volume production strengths to bear in competition for large shares of semiconductor markets in commodity products, Japanese firms could come to dominate U.S. component commodity markets; they could deny U.S. firms the margins that have historically underwritten their capacities to create new products and make new markets.

The United States has a clear strategic interest in retaining leadership in the semiconductor industry and in maintaining an industrial structure that has facilitated the diffusion and

innovation of this technology. If U.S.-based firms require U.S. policies that ease constraints and open foreign markets, then failure to adopt such policies could generate serious long-run costs to the U.S. economy. This may seem obvious, yet the industry has yet to convince any administration to make the necessary major policy changes.

Events in the high-technology industry provide the Federal Government with a timely opportunity to reconsider U.S. policy alternatives. In an industry like semiconductors where the United States leads, quick Government action will be much less costly than the significantly more intrusive intervention that would be required later were the United States to lose its leadership. Whether the high-technology firms can adequately present their case to Federal policymakers remains to be seen.

#### EDUCATION AND RETRAINING—THE RUBICON

America is in trouble. Not simply because of the enormous and targeted competition from abroad, but also because of the broader strains a society hurtling into the 20th century will place on its educational system. Unless some fairly drastic changes are made in education policy, and the way all levels of government support that policy, America may be brought to its knees by the process of modernization itself. We are fast approaching what I call the "human capital fix"—a point beyond which a society cannot efficiently use new innovations to meet human needs, increase production, assist our national security, and fuel new increases in our standard of living.

This may not be a new concept. There certainly are particular fields or industries including high technology, that experience personnel shortages of one type or another. In short, we know shortages can and do occur, but the system appears to adapt and survive, if carefully watched.

I would like to make two observations that I think jeopardize our continued prosperity.

My first observation may be obvious; change is now occurring so rapidly in scientific and technological fields that we have no experience by which to judge the results of that rate of change. We have an idea of what can happen in the private sector; institutions are pushed to their limits as they expand to embrace new discoveries, tangents of research, and product development possibilities. The fact is, there will be more "change" in the coming two decades than in the last 10,000 years.

Can our institutions effectively respond to the requirements of increasing complexity in the workplace when, for example, one in five American adults is functionally illiterate—

unable to read, write, or understand basic concepts?

Will America be able to compete with our industrialized partners when their science and math education requirements and per capita graduates far exceed our own? These are critical questions.

My second observation, and the two have to be considered together, is that the inexorable demographic changes underway in this country exacerbate the problem and point to some very serious consequences if we do not respond.

The offspring of the post-World War baby boom have reached maturity, resulting in a dramatic reduction in the work force growth rate. The expected consequences are that in 1990 over 90 percent of the workers will come from the ranks of those working today. By 2000, the figure only drops to 75 percent. This means that the growing employment needs of an increasingly complex work environment will be met, not by a new cadre of science and math qualified graduates—which we already know is inadequately prepared—but rather from the ranks of those currently in the work force.

This might not seem so threatening if it were not for the hundreds of thousands of workers that will be displaced every year as a result of automation, domestic and international competition, robotization, and the continuing shift to a service-based economy. Peter Druckers estimates 20 to 30 million workers will be displaced by these factors in the next decade.

Do we have public or private institutions capable of meeting this demand?

Let me complicate the situation a bit more. Over 65 percent of the new entrants into the work force in the next decade will be women, up from 37 percent in 1960 and 50 percent in 1981. Many people do not realize 1978 marked the first year the number of women enrolling in college exceeded men. In addition, the emerging work force will also be composed of a growing percentage of minorities.

The combination of these two observations would seem to indicate that the sheer size of the reeducation necessary will exceed the current capabilities of both public and private institutions. I might also note that the more prosperous the economy, the bigger the problem, as more people need to be retrained.

I see some great opportunities here, however. New linkages can be forged between higher education and industry as the universities move into the reeducation field to augment a decline in the traditional student population while at the same time meeting a national need.

There is a significant role that can be played by the Congress and other branches of Government. Legislation

to assist industry in retraining, using tax credits for example, will be important. I have authored legislation that seeks to upgrade secondary science and math teachers through summer institutes, and aids postsecondary research and development by providing research grants to hundreds of researchers throughout the country. This legislation has already passed the Science and Technology Committee, and will hopefully be used as a model in the next Congress.

#### GOVERNMENT POLICY—THE UNFINISHED AGENDA

The agenda for possible actions by the Federal Government is long. So long in fact that unless the industry pulls together to set priorities, it is doubtful that any great inroads will be made in the 98th Congress.

Tax policy is a very critical area, both in terms of providing incentives and removing disincentives. I worked with the White House in the early stages of the formulation of the Economic Recovery Act, and the President favorably responded to my request that the 25-percent tax credit be broadened to include more than wages; that is, R&D expenditures.

Treasury regulation 1.861-8 was put on hold for 2 years in the Economic Recovery Act, and deserves more attention. The regulation is a mechanism for allocating deductions between the United States and foreign source income in order to compute foreign tax credits. It has the effect of pushing R&D overseas at the expense of domestic R&D or not at all. Opponents of the regulation feel that the regulation has caused a net loss of jobs in the United States. In addition to reducing the availability of foreign tax credits. An extension of the 2-year moratorium is in order, but will be difficult since it is the equivalent to a new tax cut.

The extraordinary dependence of high-tech firms on R&D becomes somewhat of a problem due to the high costs associated with basic research. The financial and technical resources necessary to undertake fundamental research, in semiconductor technology for example, is beyond the capability of most firms if forced to act alone.

American manufacturers are simply going to have to be allowed to pool their resources for common research endeavors if they are expected to prosper. The entire structure of trade law and agreements has been unable to prevent our slipping market share in steel, automobiles, office machines, consumer electronics, and most recently, the 64-K semiconductor chip.

Considerable progress could be made in clarifying antitrust policy. The major problem to date is that there has been no clear policy, and the resulting uncertainty is as damaging as the rules themselves. The differences between domestic antitrust policies

and international/export policies need to be resolved, along with other inconsistencies.

The Joint Research Act (H.R. 6262), which I support, represents one of the most significant proposals to date. It will allow our firms to compete with Japanese subsidies by pooling research efforts. The increased efficiency of American R&D dollars will help prevent an even greater decline in our collective high-technology market share. The removal of treble damages, also accomplished in this bill, would be a significant improvement.

Considerable progress needs to be made in patent policy as well. I am a strong supporter of legislation that would restore any time lost—up to 7 years—due to Government regulatory review to the 17-year term of a patent. The exclusive licensing of Government-owned patents resulting from federally funded research is also in order. In addition, the deliberate diffusion of technology among firms must be made easier.

The final area of Government policy I would like to address is foreign policy export controls. This will, undoubtedly, generate considerable interest in the 98th Congress—which it should. The high-technology industry will have to keep an eye on even tighter, and expanding, national security controls; that is, into energy equipment. The issue of proper compensation needs to be addressed, and current contracts should be exempt from new policy directives.

Let me conclude by congratulating the industry for settling on what it considers to be the major policy questions facing the Federal Government. The list will, I think, follow most of the issues covered here. Developing the laundry list is only the first step, however. What remains to be seen, and on this rests much of the industry's opportunities for success, is how well the issues are articulated in Washington. Strategy is as important as substance in an effective approach to changing public policy, and this is where the industry is experiencing its greatest growth pains. How these issues are presented may carry the most influence in their eventual implementation. In any case, the industry will undoubtedly be dealing extensively with these issues in the coming 2 years; it is to America's benefit that success is achieved.●

BESS TRUMAN

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 15, 1982

● Mr. PERKINS. Mr. Speaker, Harry Truman's widow, Bess, never shouted from the grandstand, never purveyed

an image to the media, but seemed somehow to still be an inspirational figure. She was inspirational to millions of women all over America because she exemplified the wise and good companion, which was just what President Truman needed as the country emerged into the post-World War II era, with all of its complications. We regret her passing, and know that her daughter and family understand the great affection we had for her, and our feeling that we all have suffered a loss.●

TRIBUTE TO CLARENCE BROWN  
AND BILL STANTON

HON. JOHN N. ERLBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, December 18, 1982

● Mr. ERLBORN. Mr. Speaker, I join in paying tribute to two of our colleagues from Ohio who will not be returning for the 98th Congress: Mr. BROWN and Mr. STANTON.

Their departure from this House is a personal loss to me. We were all first elected to the 89th Congress, 18 years ago and, since then, have met almost weekly when the Congress was in session as members of the 89th Club. You cannot meet that often for that long a time without becoming good friends.

Our friendship, of course, will not end with the 97th Congress. What will come to an end is the healthy exchanges we had about the issues and the work of each of our committees. They provided a valuable insight into the progress, pros and cons, and intricacies of legislation outside of our own responsibilities.

During all those years, I also worked side by side with BUD BROWN on the Government Operations Committee. We were a team, and a good team, on scores of bills and amendments.

Both BUD and BILL are men of integrity, men of good will, and legislators par excellence. I am proud to number them among my friends and hope that, as they take leave, they feel as gratified by their service in this House as I feel in having served 18 years with them. They are both jolly good fellows, that nobody can deny.●

TRIBUTE TO BOB McCLORY,  
TOM RAILSBACK, AND CALDWELL BUTLER

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 30, 1982

● Mr. SAWYER. Mr. Speaker, although we are all eager to return home to our respective holiday festivities, I attach a sense of regret to the



close of the 97th Congress for three reasons: BOB MCCLORY, TOM RAILSBACK, and CALDWELL BUTLER. Each of these Members is leaving this body at the close of the day, and they will be sorely missed.

Each of these men has contributed his ideas, guidance, and friendship to all on the Judiciary Committee and the Congress. They have shaped the work and progress of the Judiciary Committee in a positive and productive fashion.

Under the leadership of our ranking member, ROBERT MCCLORY, the Republican members on the committee have worked together in a successful, congenial atmosphere. I wish Bob every happiness in his retirement, and I look forward to seeing him and Doris about Washington.

TOM RAILSBACK, the chairman of my Subcommittee on Courts, has provided good leadership and friendship throughout the consideration of many very difficult issues faced by the subcommittee. We have not agreed on all issues, such as the recent cable—copyright bill, and I look forward to showing Tom the error of his ways as we continue to discuss this particular issue. Tom has my best wishes as he begins his work on behalf of the Motion Picture Association of America.

I will truly miss the sharp intellect and wit of my friend, CALDWELL BUTLER. It has indeed been an enjoyable privilege to work with this prime example of a good legislator. While I have worked closely with CALDWELL on the Courts Subcommittee issues, I have deferred to his expertise in the bankruptcy area on many occasions. I express my faith in the great success of the continued, distinguished career of one of Roanoke's finest attorneys.

Each of these Members has contributed many fine years of service to this body and the Judiciary Committee. I would like to serve notice to these men that they are not fully escaping the difficult issues addressed by each in this Congress. I believe that many of us will seek the counsel of each of these honorable and distinguished men in the coming years, for they will be sorely missed by the members of the Judiciary Committee and this Congress.●

#### FINANCIAL REPORTS OF THE CONGRESSIONAL STEEL CAUCUS

##### HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Ms. MIKULSKI. Mr. Speaker, in accordance with Executive Committee Order No. 1, I am respectfully submitting herewith the second- and third-quarter financial reports of the Con-

gressional Steel Caucus for insertion in the RECORD.

The report is as follows:

#### Quarterly report—Fund balance statement 1982, Congressional Steel Caucus

Balance remaining as of June 30, 1982 .....	\$9,409.05
Total revenues (clerk hire, donations, membership dues) .....	13,586.51
Subtotal .....	22,995.56
Less expenses:	
July 1982 .....	4,630.58
August 1982 .....	3,425.61
September 1982 .....	6,585.69
Subtotal .....	14,641.88
Total unexpended revenues (Sept. 30, 1982) .....	8,353.68

#### Quarterly report—Cumulative statement of expenses, Congressional Steel Caucus

Salaries .....	\$12,979.43
Travel .....	
Stationery .....	207.08
Postage .....	20.00
Telephone .....	182.27
Publications .....	250.00
Equipment .....	1,870.00
Printing .....	
Miscellaneous .....	133.10
Total expenses as of Sept. 30, 1982 .....	14,641.88

Third quarter equipment expenses include a bill adjustment in the amount of \$360 for November-December 1981.

#### Quarterly report—Fund balance statement 1982, Congressional Steel Caucus

Balance remaining as of Mar. 31, 1982 .....	\$23,941.49
Total revenues (clerk hire, donations, membership dues) .....	11,271.26
Subtotal .....	35,212.86
Less expenses:	
April 1982 .....	2,573.06
May 1982 .....	4,045.05
June 1982 .....	19,185.70
Subtotal .....	25,803.81
Total unexpended revenues as of June 30, 1982 .....	9,409.05

#### Quarterly report—Cumulative statement of expenses, Congressional Steel Caucus

Salaries .....	\$9,335.26
Travel .....	
Stationery .....	136.11
Postage .....	140.00
Telephone .....	349.80
Publications .....	27.00
Equipment .....	510.00
Printing .....	300.00
Miscellaneous .....	15,005.64

Total expenses as of June 30, 1982 .....	25,803.81
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#### 97TH CONGRESS—CONGRESSIONAL STEEL CAUCUS MEMBERSHIP

NOTE.—Asterisk indicates a Member of the Caucus Executive Committee.

Joseph Addabbo, Frank Annunzio, Douglas Applegate,\* Eugene Atkinson, Don Bailey,\* Tom Bevil,\* William Brodhead, Clarence Brown, George Brown,\* James Broyhill, Don Clausen,\* William Clay, William Clinger, E. Thomas Coleman, Cardiss Collins, John Conyers.

Baltasar Corrada, Lawrence Coughlin, James K. Coyne, William J. Coyne, Dan Daniel, Robert Davis, Edward Derwinski, John Dingell, Dennis E. Eckart, Robert Edgar, Allen Ertel, David Evans, John G. Fary, Vic Fazio, Paul Findley, Jack Fields.

Floyd Fithian, Ronnie Flippo, William Ford, L. H. Fountain, Joseph Gaydos,\* Sam Gejdenson, Benjamin Gilman, William Goodling, Willis Gradison, Sam Hall, Jr., James V. Hansen, John Hiler, Elwood Hillis, Ken Holland, Jerry Huckaby, James Jones.

Thomas Kindness, Ray Kogovsek, John LaFalce, Tom Lantos, John LeBoutillier, Jerry Lewis, Clarence Long, Thomas Luken, Stanley Lundine, Robert McClory, Joseph McDade, Bob McEwen, Marc Marks, Dan Marriott, James Martin, Robert Michel.

Clarence Miller, George Miller, Barbara Mikulski,\* Robert Molloy,\* G. V. Montgomery, Ronald Mottl, Austin Murphy, John Murtha,\* John Myers, John Napier, William Natcher, James Nelligan, Bill Nichols, Henry Nowak,\* Mary Rose Oakar, James Oberstar.\*

George O'Brien,\* Thomas P. O'Neill, Donald Pease, Carl Perkins, Melvin Price, Carl Pursell, James Quillen, Nick Joe Rahall, Tom Railsback, Ralph Regula,\* Don Ritter,\* Robert Roe, Charles Rose, Dan Rostenkowski, Marty Russo, Jim Santini.

Gus Savage, James Scheuer, Richard Schulze, John Seiberling, Philip Sharp, Richard Shelby, Bud Shuster, Mark Siljander, Paul Simon, Albert Lee Smith, Joseph Smith, J. William Stanton, David M. Staton, Gene Taylor.

Morris Udall, Bruce Vento, Doug Walgren, Robert Walker, James Weaver, Richard White, Jamie L. Whitten, Lyle Williams,\* Charles Wilson, Ron Wyden, Gus Yatron, C. W. Young, Clement Zablocki, Leo Zeferetti.●

#### CHALLENGING THE CONSTITUTIONALITY OF THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982

##### HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Sunday, December 19, 1982

● Mr. SHANNON. Mr. Speaker, even before the House had passed and the President signed the \$99 billion Tax Equity and Fiscal Responsibility Act of 1982 a group of 19 Members of Congress sued the Speaker and Clerk of the House, and the House of Representatives itself challenging the constitutionality of the act. Specifically, the plaintiff Members alleged that the tax bill was enacted under procedures which violated the "origination clause," article I, section 7, clause 1 of the Constitution, because it was a revenue-raising measure which originated in the Senate, not the House.

The plaintiffs engaged eminent counsel, Philip Kurland, to assist in prosecution of their case. The Speaker and other House defendants, through the general counsel to the House, Stan Brand, moved to dismiss the suit on a number of grounds: First, the plaintiffs lacked standing to bring the

action because they had been deprived of neither the opportunity to vote on the origination clause issue nor had their vote on the issue been "nullified"—the two requirements which the courts have held must be present to sustain legislator standing; second, that the recently articulated doctrine of judicial "equitable discretion" prevented courts from interfering in a dispute among legislators; and third, that the action was barred by the speech or debate clause, which protects Members from being sued for performance of their legislative acts.

On December 16, 1982, Judge Joyce Hens Green granted the defendants motion to dismiss on the precise first two grounds advanced by the general counsel. The court held that the plaintiff Members had no standing because they suffered no injury in fact: They had not been denied a right to vote or had that right impaired, but rather simply sought as a "frustrated minority" to overturn the majority will and that the courts could not intrude into Congress internal functioning.

I wish to commend the able counsel, Mr. Brand, for his representation of the House in this important and historic case and insert the decision of the district court in the RECORD.

The district court decision follows:

[U.S. District Court for the District of Columbia]

(Civil Action No. 82-2318)

W. HENSON MOORE, ET AL., PLAINTIFFS, v. THE UNITED STATES HOUSE OF REPRESENTATIVES, ET AL., DEFENDANTS

(Civil Action No. 82-2352)

RON PAUL, PLAINTIFF, v. THE UNITED STATES OF AMERICA, ET AL., DEFENDANTS  
MEMORANDUM OPINION AND ORDER

These consolidated cases, before the Court on plaintiffs' motion for summary judgment and defendants' motions to dismiss, present the threshold question whether plaintiffs, 19 members of Congress, have standing to challenge the constitutionality of the "Tax Equity and Fiscal Responsibility Act of 1982," Pub. L. No. 97-248 ("TEFRA"), which the President signed into law on September 3, 1982. Upon consideration of the supporting documentation, the record as a whole and oral arguments presented by the parties, it is determined that plaintiffs lack standing<sup>1</sup> to maintain these actions and that the actions therefore must be dismissed.

Plaintiffs brought their complaints against the United States,<sup>2</sup> the United States House of Representatives, the United States Senate, and officials of those two bodies, seeking a declaratory judgment that the actions of Congress in enacting TEFRA infringed upon the prerogatives of the House in contravention of the "origination clause" of the United States Constitution, U.S. Const. art. I, § 7, cl. 1. The origination clause provides: "All Bills for raising revenue shall originate in the House of Repre-

sentatives; but the Senate may propose and concur with Amendments as on other Bills."

On November 13, 1981, H.R. 4961, denominated "Miscellaneous Revenue Act of 1981," was introduced in the House of Representatives. After certain amendments, the bill was reported out of the House Ways and Means Committee on December 14, 1981. The House Report estimated that the net effect of the tax provisions of the bill would reduce revenues by 976 million dollars over five years. H.R. Rep. No. 404, 97th Cong., 1st Sess. 9 (1981). The bill was passed by the House on December 15, 1981. 127 Cong. Rec. H9607-10 (daily ed., December 15, 1981).

Thereafter, the bill was referred to the Senate Finance Committee, which reported it out on July 12, 1982 under the new name, "Tax Equity and Fiscal Responsibility Act of 1982" (TEFRA). S. Rep. No. 494, 97th Cong., 2d Sess. (1982). Although carrying the House number, the bill that left the Senate Committee, unlike the bill passed by the House, was designed to raise revenues in the amount of 99 billion dollars over three years. The Senate passed this bill on July 19, 1982. 128 Cong. Rec. S8577-8644 (daily ed., July 19, 1982). The difference between the bill as passed by the Senate and as passed by the House prompted the Senate to seek a conference with the House. 128 Cong. Rec. S9307 (daily ed., July 28, 1982).

In response to the Senate's request, plaintiff Rousselot offered this privileged resolution: "Resolved, That the Senate Amendments to the bill, H.R. 4961, in the opinion of the House, contravene the first clause of the seventh section of the first article of the Constitution of the United States, and are an infringement of the privileges of this House and that the said bill, with amendments be respectfully returned to the Senate with a message communicating this resolution." 128 Cong. Rec. H4776 (daily ed., July 28, 1982).

Representative Dan Rostenkowski, Chairman of the Committee on Ways and Means, immediately moved to table the resolution, with 229 members voting yea, 169 voting nay and 36 not voting. Each of the plaintiffs voted against the motion to table. *Id.* at H4776-77. At the direction of this committee, Representative Rostenkowski then moved to send the bill to conference with the Senate. *Id.* at H4777. This motion passed after debate, which included plaintiffs, on the constitutionality of the Senate amended bill. 128 Cong. Rec. H4777-88 (daily ed., July 28, 1982). Each of the plaintiffs voted against the motion to go to conference. *Id.* at H4788-87.

During the following two weeks the constitutional issue was addressed by several Representatives. See Statements of Representative Bereuter, 128 Cong. Rec. E3636-37, E3652 (daily ed., Aug. 3, 1982); Representative Dreier, 128 Cong. Rec. E3807 (daily ed., August 11, 1982); Representative Porter, 128 Cong. Rec. E3888 (daily ed., Aug. 13, 1982). On August 17, 1982, a conference bill was reported, substantially similar to the Senate version but including two tax provisions of the House version which the Senate had deleted. *Conference Report to Accompany H.R. 4961*, H.R. Rep. No. 760, 97th Cong., 2d Sess. 267-68 (1982). Plaintiffs in *Moore* promptly filed suit on August 18, 1982.

The next day the constitutional issue was debated further on the House floor. 128 Cong. Rec. H6555 (daily ed., Aug. 19, 1982). Plaintiff Rousselot introduced a second resolution to have the bill returned to the Senate. 128 Cong. Rec. H6555 (daily ed.,

Aug. 19, 1982). This resolution was also rejected, with 268 members voting yea, 144 voting nay and 22 not voting, in favor of a motion to table. Each of the plaintiffs voted against this motion. 128 Cong. Rec. H6555-6636 (daily ed., Aug. 19, 1982). The bill was passed by both Houses on August 19, 1982, 128 Cong. Rec. S10946, H6635-36 (daily ed., Aug. 19, 1982), with each of the plaintiffs exercising their voting rights on this legislation. Plaintiff Williams voted in favor of passage. All other plaintiffs voted against passage. *Id.* at H6635-36. Plaintiff Paul filed his action on August 20, 1982. On September 3, 1982, President Reagan signed the bill into law.

When voting on a motion to dismiss for want of standing the court "must accept as true all material allegations of the complaint, and must construe the complaint in favor of the complaining party." *Warth v. Seldin*, 422 U.S. 490, 501 (1975). However, even assuming the legal conclusion<sup>3</sup> that TEFRA was enacted in violation of the origination clause of the Constitution, plaintiffs have not demonstrated the injury-in-fact required by Art. III to invoke the judicial power. At a minimum, a plaintiff must show that he personally has suffered an actual or threatened injury which reasonably can be traced to the challenged conduct of the defendant and would likely be redressed by a favorable decision. *Valley Forge Christian College v. Americans United for Separation of Church and State*, 459 U.S. 102 S. Ct. 752, 758 (1982). "In this manner does Art. III limit the federal judicial power to those disputes which confine federal courts to a role consistent with a system of separated powers and which are traditionally thought to be capable of resolution through the judicial process." *Id.* (quoting *Flast v. Cohen*, 392 U.S. 83, 97 (1968)). Thus, a court should refrain from adjudicating the constitutionality of an act of a co-equal branch of government unless the claimant has suffered a cognizable injury. *Id.* at 759.

The separation of powers concerns which underlie the concept of standing are particularly acute when plaintiffs are members of Congress. Although "there are no special standards for determining Congressional standing questions," *Harrington v. Bush*, 553 F.2d 190, 204 (D.C. Cir. 1977) (emphasis deleted), injury-in-fact for a congressional plaintiff "must amount to a disenfranchisement, a complete nullification or withdrawal of a voting opportunity." *Goldwater v. Carter*, 617 F.2d 697, 702 (D.C. Cir. 1979) (*en banc*), vacated on other grounds, 444 U.S. 996 (1979) (*mem.*). *Riegle v. Federal Open Market Committee*, 656 F.2d 873 (D.C. Cir. 1981), cert. denied, 102 S. Ct. 636 (1982); *Reuss v. Balles*, 584 F.2d 461, 467 (D.C. Cir.), cert. denied, 439 U.S. 997 (1978); see also *Kennedy v. Sampson*, 511 F.2d 430 (D.C. Cir. 1974).

As the legislative history plainly reflects, plaintiffs had ample opportunity to exercise their voting rights and in fact, save for plaintiff Williams, voted their disapproval of TEFRA at every turn. Plaintiffs fully participated in the legislative process which culminated in the passage of the act they now challenge. They were simply outvoted. The argument that plaintiffs' votes were ef-

<sup>1</sup> For this reason other grounds for dismissal advanced by defendants need not be addressed.

<sup>2</sup> Only plaintiff Paul named the United States as a defendant. However, the United States successfully moved to intervene as a defendant in *Moore*.

<sup>3</sup> In its response to plaintiffs' opposition to defendants' motion to dismiss, the United States rightly points out that "standing in no way depends on the merits of plaintiffs' contention that particular conduct is illegal." *Warth v. Seldin*, 422 U.S. 490, 500 (1975).



fectively nullified by the Senate's usurpation of their right to originate revenue raising bills, and the House acquiescence therein, is unpersuasive. To support this contention, plaintiffs rely on *Kennedy v. Sampson*. In that case, however, the plaintiff had standing because his successful vote had been nullified by the allegedly illegal pocket veto of the President. But where, as in this case, "Congress itself, and not the Executive, renders any individual legislator's vote ineffective, the courts have no role." *Goldwater v. Carter*, 617 F.2d at 712. See also *Korioth v. Briscoe*, 523 F.2d 1271, 1278 (5th Cir. 1975) (state legislator denied standing to challenge the validity of a statute passed over his objecting vote); *McClure v. Carter*, 513 F. Supp. 265, 270 (D. Idaho), *aff'd mem. sub nom.*, *McClure v. Reagan*, 102 S. Ct. 559 (1981) ("Certainly no one would contend . . . that the losing senators in any vote should automatically have the right to appeal to a federal court for a determination of the correctness of the result approved by a majority of their colleagues").

In short, plaintiffs speak as a frustrated minority. Unless the institution of Congress itself has suffered injury-in-fact at the hand of the Executive, an individual legislator has no standing to complain of impairment to the effectiveness of his vote. "His injury can only be derivative." *Goldwater v. Carter*, 617 F.2d at 712. Here, Congress specifically considered and rejected the suggestion of any constitutional infirmities in the enactment of TEFRA, and in fact opposes this lawsuit. Judicial interference into this intralegislative dispute is constitutionally precluded.

Even if plaintiffs' claim of injury to their rights as members of Congress to originate bills for raising revenue could be deemed constitutionally sufficient to confer standing, the doctrine of equitable discretion announced by this Circuit in *Riegle v. Federal Open Market Committee* squarely governs this action and mandates dismissal.

In *Riegle* an individual senator challenged the constitutionality of the section<sup>4</sup> of the Federal Reserve Act which provides for the election of five representatives to the Federal Open Market Committee by the Board of Directors of the Federal Reserve Banks, claiming that the selection of these individuals without submission of their nominations to the Senate deprived him of his constitutional right<sup>5</sup> to advise and consent regarding the appointment of these United States officers. Declining to distinguish between Congressional and private plaintiffs,<sup>6</sup> the court determined that Senator Riegle had standing. Nevertheless, the fundamental constitutional principle of separation of powers required that his action be dismissed. Because suits by Congressmen present "the possibility of thwarting Congress' will by allowing a plaintiff to circumvent the process of democratic decisionmaking," a court should, as a matter of equitable discretion, dismiss a Congressman's action where he "could obtain substantial relief from his fellow legislators through the enactment, repeal, or amendment of a statute." *Riegle v. Federal Open Market Committee*, 656 F.2d at 881. Application of the *Riegle* doctrine is especially appropriate where a plaintiff's dispute is not with the executive branch but with his fellow legislators. See *Reuss v. Balles*, 584 F.2d 468. In this way a court may avoid intrusion into

the internal functioning of the legislative branch.

In the instant case, plaintiffs must be relegated to their legislative remedies, despite their previous failures to convince their colleagues of the rightness of their views, and no matter how remote their chances for success in the future. "It would be unwise to permit the federal courts to become a higher legislature where a congressman who has failed to persuade his colleagues can always renew the battle." *Riegle v. Federal Open Market Committee*, 656 F.2d at 882.

Before dismissing an action under the *Riegle* doctrine a court must also inquire whether "a similar action could be brought by a private plaintiff." *Id.* Although the *Moore* plaintiffs refuse to discuss this part of the analysis, and refer to it as "baggage", *Moore* plaintiffs' memorandum in opposition to defendants' motions to dismiss at 26, plaintiff Paul argues that "[i]n this instance a private plaintiff has no immediate redress." Plaintiff Paul's opposition to defendants' motions to dismiss at 5. Yet, Representative Paul acknowledges that a taxpayer could challenge the constitutionality of TEFRA by filing for a refund after January 1, 1983. *Id.* Private taxpayer plaintiffs have asserted claims under the origination clause before. See *Rainey v. United States*, 232 U.S. 310 (1914); *Flint v. Stone Tracy Co.*, 220 U.S. 107 (1911); *Miller v. Roberts*, 202 U.S. 429 (1906); *Twin City Bank v. Nebecker*, 167 U.S. 196 (1897); *Bertelson v. White*, 65 F.2d 719 (1st Cir. 1933); *Hubbard v. Lowe*, 226 F. 135 (S.D.N.Y. 1915), *appeal dismissed*, 242 U.S. 654 (1916).

It is, accordingly, this 16th day of December, 1982

Ordered, that plaintiffs' motion for summary judgment be and it hereby is denied; and it is

Further ordered that defendants' motions to dismiss be, and they hereby are, granted, and that these actions stand dismissed.

JOYCE HENS GREEN,  
United States District Judge.●

## WILSON RILES

### HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday December 16, 1982

● Mr. FAZIO. Mr. Speaker, I wish to add my reflections and pay tribute to a great American and a great educator.

In the 12 years that Wilson Riles has been California State superintendent of public instruction, he has been this Nation's outstanding educational reformer and innovator—a bona fide pioneer in making education programs better and in providing programs where none have existed before.

In 1971, during his first year as State superintendent, Wilson Riles established an early childhood education task force. Under Riles' direction this group planned the early childhood education program. Without doubt, the early childhood strategy has been the most successful innovation in educating young children that this country has witnessed in the past 25 years.

In 1972 Wilson Riles announced the creation of the California Office of Child Development to coordinate pub-

licly supported child care and preschool programs for the children of low-income families. Since that time more than 1 million children have been served in child development programs, and hundreds of thousands of young adults have been given the chance to go to school or join the work force and thus improve their own and their families' lives.

In 1974 Wilson Riles launched the California master plan for special education. This plan has revolutionized education programs for people with physical, emotional, and learning disabilities. The California example became a model for mainstreaming programs throughout the country. Today, in California alone, more than 350,000 youngsters are beneficiaries of Riles' vision. Indeed, it is no exaggeration to say that millions of youngsters throughout the land now face the future with confidence and hope because of this man's deep concern for all children.

In the late 1960's, in 1972, and again in 1977, Wilson Riles led the California Legislature to expand the education programs and services for the children of families suffering from economic hardship and other educational disadvantages. As a result, California was one of the first States in the Nation to provide a broad spectrum of compensatory services to economically and educationally disadvantaged youngsters. Once again the model provided by Riles and California provided the inspiration for our national title I and chapter 1 programs throughout the land.

In 1977, drawing upon the success and the popularity of the early childhood education model, Wilson Riles expanded this program to include all elementary and secondary schools in a program that he called school improvement. This trail-blazing program benefits the schools and the community by enabling all citizens—parents, teachers, administrators, community leaders, business leaders, even the students themselves—to play a role in each school's future by deciding how to improve educational programs and services for all the school's students.

In introducing these farsighted education programs into the schools of California, Wilson Riles has always been guided by one vision. That vision is to make the ideal of equal educational opportunity a reality for each and every student. In pursuing his vision, Wilson Riles has labored tirelessly for all the children of California, so that through education they might be free to realize the dreams of their lives as he has so magnificently realized his own.

On behalf of the people of California, the children of this Nation, and this Congress, I say, with deepest sincerity and appreciation, Thank you Wilson.●

<sup>4</sup> 12 U.S.C. § 263(a)(1976).

<sup>5</sup> U.S. Const. art. II, § 2 ("appointments clause").

<sup>6</sup> See generally, McGowan, *Congressmen in Court: The New Plaintiffs*, 15 Ga. L. Rev. 241 (1981).

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, December 21, 1982, may be found in the Daily Digest of today's RECORD.

## MEETINGS SCHEDULED

## JANUARY 10

10:00 a.m.

Foreign Relations

International Economic Policy Subcommittee

To hold hearings on the effects of current economic problems on international affairs.

4221 Dirksen Building

2:00 p.m.

Foreign Relations

International Economic Policy Subcommittee

To continue hearings on the effects of current economic problems on international affairs.

4221 Dirksen Building

## JANUARY 12

9:30 a.m.

Labor and Human Resources

Employment and Productivity Subcommittee

To hold hearings to review Federal programs which create certain job opportunities.

4232 Dirksen Building

## JANUARY 19

10:00 a.m.

Foreign Relations

International Economic Policy Subcommittee

To hold hearings on the current international debt situation.

4221 Dirksen Building

## JANUARY 25

9:30 a.m.

Finance

To hold hearings on the administration's assessment of the meeting of ministers to the General Agreement on Tariffs and Trade (GATT).

2221 Dirksen Building

Rules and Administration

To hold an organizational meeting, to consider its rules of procedure for the 98th Congress, membership assignments for the Joint Committee on Printing and the Joint Committee on the Library of Congress, an original resolution requesting funds for operating expenses of the committee for 1983, to authorize tests of computer equipment in Senators' offices, and to consider other pending business.

301 Russell Building

## JANUARY 26

9:30 a.m.

Rules and Administration

To hold hearings on Presidential and congressional campaign finance Laws.

301 Russell Building

## JANUARY 27

9:30 a.m.

Rules and Administration

To continue hearings on Presidential and congressional campaign finance laws.

301 Russell Building

## FEBRUARY 1

10:00 a.m.

Foreign Relations

International Economic Policy Subcommittee

To hold hearings on proposed solutions to global economic problems.

4221 Dirksen Building

## FEBRUARY 2

9:30 a.m.

Rules and Administration

To hold hearings on mass mailings and the use of postal patron mail.

301 Russell Building

## FEBRUARY 15

9:30 a.m.

Rules and Administration

To hold hearings on committee resolutions requesting funds for operating expenses for 1983.

301 Russell Building

## FEBRUARY 16

9:30 a.m.

Rules and Administration

To continue hearings on committee resolutions requesting funds for operating expenses for 1983.

301 Russell Building

## FEBRUARY 17

9:30 a.m.

Rules and Administration

To continue hearings on committee resolutions requesting funds for operating expenses for 1983.

301 Russell Building

## FEBRUARY 22

9:30 a.m.

Rules and Administration

Business meeting, to consider committee resolutions requesting funds for operating expenses for 1983, and proposed legislation relating to Senate mass mailing.

301 Russell Building

## FEBRUARY 27

10:00 a.m.

Foreign Relations

To hold hearings on the prospective nomination of Edward J. Derwinski, of Illinois, to be Counselor, Department of State.

4221 Dirksen Building